

velopes and other printed matter—to the Committee on the Post-Office and Post-Roads.

Also, petition of cigar manufacturers of Lancaster County, Pa., opposing free importation of tobacco from the Philippines—to the Committee on Ways and Means.

Also, petition of Pennsylvania Tobacco Growers' Association, opposing free importation of tobacco from the Philippines—to the Committee on Ways and Means.

By Mr. HAMER: Paper to accompany bill for relief of Albert Small—to the Committee on Invalid Pensions.

Also, petitions of Jones-Robinson Company (Limited), of Montpelier, and Conant & Dunning and 31 others, of Burley, all in the State of Idaho, against duties to be assessed under H. R. 1438 on articles of wearing apparel, particularly leather gloves and cotton hosiery—to the Committee on Ways and Means.

By Mr. HEALD: Petition of Board of Trade of Wilmington, Del., for a change of date of Inauguration Day—to the Committee on the Judiciary.

Also, petition of committee of trade and commerce and the legislative committee of the Wilmington (Del.) Board of Trade, against maximum and minimum provisions of tariff bill—to the Committee on Ways and Means.

By Mr. HIGGINS: Petition of Amelia J. Perkins, against the Payne bill—to the Committee on Ways and Means.

Also, petition of Cigar Makers Local Union No. 407, against duty-free cigars from the Philippines—to the Committee on Ways and Means.

By Mr. HILL: Petition of citizens of East Norwalk, Conn., favoring dredging north end of Norwalk channel—to the Committee on Rivers and Harbors.

Also, petition of citizens of New Hartford, Conn., favoring reduction on raw and refined sugars—to the Committee on Ways and Means.

Also, petition of citizens of New Haven, Conn., favoring reduction of duty on wheat—to the Committee on Ways and Means.

By Mr. KAHN: Petition of California Jewelry Company and 14 other jewelry importers of San Francisco, Cal., favoring a 10 per cent ad valorem duty on cut diamonds and other precious stones and 20 per cent on imitation stones—to the Committee on Ways and Means.

Also, petition of Hinz & Land (Incorporated) and 8 other residents of San Francisco, Cal., favoring maintaining Dingley rates on gloves—to the Committee on Ways and Means.

By Mr. LINDBERGH: Petition of business men of Buffalo and Howard Lake, Minn., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. MCKINNEY: Petition of Tri-City Typographical Union, No. 107, of Rock Island and Moline, Ill., and Davenport, Iowa, favoring reduction of duty on wood pulp and news print paper—to the Committee on Ways and Means.

By Mr. MOORE of Pennsylvania: Petitions of Society Italiana di M. S., S. Pietro Celestino Cittadino d' Tsernia, Society Italiana di M. S. Del Santissimo Salvatore, Society S. Marzidu Maria S. S. Dellrose, all of Philadelphia, favoring adoption of October 12 as a legal holiday, to be called "Columbus Day"—to the Committee on the Judiciary.

By Mr. MOON of Tennessee: Papers to accompany House bill granting a pension to S. J. Mullins—to the Committee on Pensions.

Also, papers to accompany House bill granting an increase of pension to W. R. Snyder—to the Committee on Invalid Pensions.

Also, papers to accompany House bill granting an increase of pension to Scott Thompson—to the Committee on Invalid Pensions.

Also, papers to accompany House bill granting an increase of pension to Burrell M. Trew—to the Committee on Invalid Pensions.

Also, papers to accompany House bill granting a pension to William M. White—to the Committee on Invalid Pensions.

Also, papers to accompany bill for the relief of James M. Davis, administrator of William Davis, of Mountairy, Tenn.—to the Committee on War Claims.

By Mr. PAYNE: Papers to accompany H. R. 9247, granting a pension to Catherine E. Tainter, widow of John B. Tainter—to the Committee on Invalid Pensions.

By Mr. SULZER: Petition of Surbrug & Co., opposing additional duty on tobacco—to the Committee on Ways and Means.

Also, petition of Charles Adler & Sons, of New York City, opposing an increase of duty on diamonds and precious stones—to the Committee on Ways and Means.

Also, petition of George O. Street & Sons, of New York City, opposing tax on uncut diamonds and other precious stones—to the Committee on Ways and Means.

Also, petition of Republican Club of New York City, opposing a tariff commission—to the Committee on Ways and Means.

Also, petition of Edward Lauterbach, of New York, opposing an increase of head tax—to the Committee on Immigration and Naturalization.

Also, petition of J. C. Wirtz, of New York City, opposing an increase of duty on matings—to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: Petition of Denver Chamber of Commerce, opposing reduction of duty on lead and lead products—to the Committee on Ways and Means.

By Mr. THOMAS of Kentucky: Petition of American Society of Equity, of Cedar Dale, Ky., opposing tax on sugar—to the Committee on Ways and Means.

By Mr. WEEKS: Petition of Monday Club, of Needham, Mass., against increase of duty on gloves—to the Committee on Ways and Means.

By Mr. WEISSE: Petition of Retail Lumber Dealers' Insurance Association, of Wisconsin, favoring removal of duty on lumber and creation of a permanent tariff commission—to the Committee on Ways and Means.

Also, petition of common council of the city of Portage, Wis., favoring an appropriation to repair the levee on the bank of the Wisconsin River at Portage—to the Committee on Rivers and Harbors.

Also, petition of citizens of Cedarburg, Wis., favoring free hides—to the Committee on Ways and Means.

Also, petition of Commercial Exchange of Philadelphia, favoring a treaty of reciprocity with Dominion of Canada relative to the tariff—to the Committee on Ways and Means.

## SENATE.

FRIDAY, May 14, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

### THE BROWNSVILLE AFFRAY.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of War, inclosing an application dated the 10th instant from Lieut. Gen. S. B. M. Young, United States Army, president of the Brownsville court of inquiry, requesting the reference to that court of certain exhibits filed in the office of the Secretary of the United States Senate in connection with the Brownsville affray (S. Doc. No. 44), which, with the accompanying paper, was referred to the Committee on Military Affairs and ordered to be printed.

### FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication of the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of the St. James Evangelical Lutheran Church, of Gettysburg, Pa. v. United States (S. Doc. No. 43), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

### PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a joint resolution of the legislature of Wisconsin, which was ordered to lie on the table and be printed in the RECORD, as follows:

Joint resolution petitioning Congress for the establishment of a permanent, nonpartisan, expert tariff commission.

Whereas for many years the tariff has been the subject of political contention which has led to periodical upheaval and uncertainty in the commercial activities of the Nation; that it has not always been adjusted in manner to best promote and protect the industrial interests as a whole, and has too often been dealt with as a purely political question, without giving full consideration to the grave economic principles involved in the same.

Whereas a study of the methods under which other great commercial nations of the world are handling these subjects leads to the conclusion that the United States must call into its service in the near future the aid of a trained body of men to enable us to meet intelligently the various perplexing questions arising out of the general adoption of maximum and minimum tariffs by several of our strongest competitors for the world's trade: Therefore be it

Resolved by the senate (the assembly concurring), That we respectfully memorialize the Congress of the United States to speedily enact such legislation as will create a permanent, nonpartisan tariff commission, with semijudicial functions, such as the power to summon witnesses, which shall make an unbiased investigation of the operation of our customs duties, regulation, and classification; hear complaints; study domestic and foreign market conditions; and report to the Executive and to Congress from time to time such modifications as in their judgment may safely and properly be made in the interests of the general welfare.

JOHN STRANGE,  
President of the Senate.

F. E. ANDREWS,  
Chief Clerk of the Senate.

L. H. BANCROFT,  
Speaker of the Assembly.

C. E. SHAFFER,  
Chief Clerk of the Assembly.

Mr. STONE. I present a resolution adopted by and for the Anti-Imperialist League at a special meeting of the executive committee held in Boston, Mass., May 11, 1909, relative to the establishment of the independence of the Philippines. The resolution is not long, and I ask that it be read and referred to the Committee on the Philippines.

There being no objection, the resolution was read and referred to the Committee on the Philippines, as follows:

*To the honorable Senate in Congress assembled:*

The following resolution was adopted by and for the Anti-Imperialist League at a special meeting of the executive committee, Boston, May 11, 1909.

Whereas it is proposed that Congress shall, by enactment, lay tariff on goods entering the Philippine Islands from other countries, without consultation with the Philippine Assembly, a body organized by our own Government to represent the Filipino people, such enactment meaning taxation without representation; and

Whereas it is proposed that the tariff on goods passing between the Philippine Islands and the United States shall be either lowered or abolished; and

Whereas every commercial favor between the Philippine Islands and the United States not granted to other countries constitutes a tie which prejudices the independence of the islands: Therefore

*Resolved*, That the Anti-Imperialist League through its executive committee recommends respectfully that all reference to the Philippine Islands be stricken out from the tariff bill now under consideration. If, however, any action be taken to modify the Philippine tariff, the league urges that, as a proper notification to investors under the law in the Philippine Islands, either a promise of independence at a definite period be incorporated as an amendment to any such enactment, or that an amendment may be added thereto directing the Executive to make arrangements looking to the neutralization of the Philippine Islands when their independence shall be declared.

MOORFIELD STOREY, *President*.  
ERVING WINSLOW, *Secretary*.

Mr. FLETCHER presented petitions of sundry citizens of Dellwood and Pensacola, in the State of Florida, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. GUGGENHEIM presented memorials of sundry citizens of Colorado Springs, Colo., remonstrating against a reduction of the duty on sugar, which were ordered to lie on the table.

Mr. BURTON presented petitions of sundry citizens of Archbold, Logan, Sidney, Washington, College Corner, Morning Sun, Huron, Sardinia, Georgetown, Winchester, Greenville, Bloomington, Columbus, Williamsport, Pherson, Circleville, and Canton, all in the State of Ohio, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. HUGHES. I present a joint resolution of the legislature of Colorado, which I ask may be read.

The joint resolution was read, and ordered to lie on the table, as follows:

House joint resolution 18. By Mr. Howell.

Whereas the several States are now taxing inheritances with marked success, and need all the revenue that can properly be drawn from this source; and

Whereas the Federal Government readily raises additional revenue when required from other sources: Therefore, be it

*Resolved by the general assembly of the State of Colorado:*

First. That the taxation of inheritances should be reserved to the several States as a source of revenue for their exclusive use and benefit.

Second. That the general assembly of the State of Colorado hereby respectfully requests and urges the Senators and Representatives of the State of Colorado in the Congress of the United States to support a properly drawn joint resolution when proposed for adoption in the two Houses of the Congress, declaring it to be the policy of the Federal Government to refrain from the taxation of inheritances for federal purposes, to reserve this source of revenue for the exclusive use and benefit of the several States.

Third. That the Senators and Representatives of the State of Colorado in Congress are requested to oppose with all their vigor any measure which will give to the National Government the taxation of inheritances.

H. L. LUBERS,  
*Speaker of the House of Representatives.*  
STEPHEN R. FITZGARRALD,  
*President of the Senate.*

Approved March 27, 1909.

JOHN F. SHAFROTH,  
*Governor of the State of Colorado.*

Mr. HUGHES. I present a joint memorial of the legislature of Colorado, which I ask be read and referred to the Committee on Public Lands.

There being no objection, the joint memorial was read and referred to the Committee on Public Lands, as follows:

(Certificate.)

STATE OF COLORADO,  
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA, *State of Colorado*, ss:

I, James B. Pearce, secretary of state of the State of Colorado, do hereby certify that the annexed is a full and true copy of senate joint memorial No. 2, by Senator Napier, duly passed by the seventeenth general assembly of the State of Colorado, approved April 23, 1909,

and duly filed in this office on the 24th day of April, A. D. 1909, at 12.30 o'clock p. m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Colorado, at the city of Denver, this 28th day of April, A. D. 1909.

[SEAL.]

JAMES B. PEARCE,  
*Secretary of State.*  
By THOMAS F. DILLON, Jr.,  
*Deputy.*

Senate joint memorial 2. By Senator Napier.

*To the Senate and House of Representatives  
of the United States in Congress assembled:*

We, your memorialists, the senate and house of representatives of the seventeenth general assembly of the State of Colorado, in regular session assembled, do hereby most respectfully and earnestly represent:

That under the authority of an act of your honorable body authorizing the President of the United States to withdraw public lands for the purpose of establishing national forest reserves thereon, there has been withdrawn within this State, we are informed, about 16,000,000 acres of the public lands, a section comprising nearly a quarter of the total area of this State.

That under further acts of your honorable body the Secretary of Agriculture has been authorized to make reasonable rules and regulations for the protection and use of the lands so withdrawn, and that under this authority the said Secretary of Agriculture has assumed to make rules and regulations and to set up a government within this State over the areas so segregated, without regard to the rights of the citizens of this State or the laws of your memorialists as guaranteed by the Constitution.

We call the attention of your honorable body to the fact that, acting under the authority granted by you to make rules and regulations, the said Secretary of Agriculture is attempting to exercise municipal jurisdiction over said lands within this State, to charge and collect taxes and fees with no authority under the law so to do, beyond the authority granted to make rules and regulations.

Assuming that the rules and regulations made by the said Secretary of Agriculture have all the force and effect of law, he utterly disregards the laws of this State when they conflict with the said rules and regulations, and even interferes with the operation of the laws of your honorable body in regard to the disposition and settlement of these lands.

Acting under the said rules and regulations made and promulgated by himself, the said Secretary of Agriculture has gone into the lumber business in the interest of the United States and has cut and sold many thousands of acres of valuable timber which has been centuries in developing and will require centuries to replace.

While less than a third of the lands so segregated into national forests are forest lands in fact, nor contain merchantable timber, the said Secretary of Agriculture has assumed charge of the grasses and forage thereon and is renting out the privilege of grazing upon these lands for valuable considerations.

The most valuable mineral lands in this State are located upon the said forest reserves, and the Secretary of Agriculture has made rules and regulations to govern prospecting, location, and development of said mineral lands and insists upon the right to pass upon the validity of mining claims without any authority of law and with no authority beyond the authority granted him by your honorable body to make rules and regulations.

While the laws of your honorable body permit and encourage the settlement of these public lands by citizens, the Secretary of Agriculture has assumed to dictate what lands may be settled and what may not and who shall be permitted to enter and settle thereon, seriously interfering with the settlement and development of lands within this State.

Through the collection of taxes and fees the said Secretary of Agriculture is gathering large sums from the citizens of this State which are used largely to pay the expenses of his system of government upon said reserves.

He has assumed all the authority of a private landlord or sovereign over the lands within the reserves within this State, and, by rules and regulations which are made and unmade at his pleasure and which he seeks to give all the force and effect of law, he seeks to harass and annoy the citizens of this State.

We, your memorialists, wish most respectfully to protest against the acts of the said Secretary of Agriculture, and we humbly represent that, in our opinion, said acts are unlawful and without authority of the Constitution of the United States.

We most respectfully express our doubts that the Government of the United States has the power under the Constitution to thus take possession of lands within a State to hold perpetually for the purpose of producing revenue for the General Government or for any other purpose, other than those necessary for actual government.

We call your attention to the fact that the constitution of the State of Colorado expressly grants us the power to protect and care for the forests upon the public lands within this State, and we are now and have been at all times prepared to exercise that authority.

The operation of this new form of government by rules and regulations, administered by one man assuming plenipotentiary powers, is working great and serious injury to the citizens of this State. It is interfering with and retarding development and is preventing the settlement of the public lands within our State. Our natural timber is being cut and sold and shipped from the State. Prospecting for mines has practically been stopped. Our live-stock industry is being hindered and gradually destroyed. The State of Colorado is being deprived of the right to conduct and regulate its own internal affairs, as other States have done under the rights guaranteed us by the Constitution, and it has never relinquished its authority either expressly or by implication.

While the laws of the United States encourage the development of the natural resources of the country and provide that rights of way over public lands shall be granted for irrigation canals and other enterprises of public value, the Secretary of Agriculture has assumed to make rules and regulations that enable him to charge and collect fees for permits for such improvements, which permits are revocable at his will and without recourse.

The officers and agents of the said Secretary of Agriculture seek, by threats and intimidations, to force the obedience of the citizens of this State to the said rules and regulations, and much grievous wrong has been done our citizens thereby.

Wherefore your memorialists respectfully submit this our memorial that you may be advised of these conditions complained of, and that



you will take such action as will restrain the Secretary of Agriculture from interference with the complete authority and control of the State of Colorado over the lands within its borders.

We earnestly ask that your honorable body take such action as will at once eliminate all lands not actual forest lands from these reserves, and that prospective settlers, miners, prospectors, and citizens have the right to go upon all public lands as heretofore and unmolested, and to enter and locate such lands as provided by the laws of the United States.

And we hereby express to your honorable body our willingness to do any and all things necessary for the protection and care of the forests within this State upon all public lands, having express authority under our constitution so to do, and we urge that you take such action as will permit us to exercise this authority without interference.

And for this your memorialists will ever pray.

STEPHEN R. FITZGARRALD,  
President of the Senate.  
H. L. LUBERS,  
Speaker of the House of Representatives.

Approved April 23, 1909.

JOHN F. SHAFROTH,  
Governor of the State of Colorado.

Mr. HUGHES. I present a joint memorial of the legislature of Colorado, which I ask may be read and referred to the Committee on Public Lands.

There being no objection, the joint memorial was read, as follows:

(Certificate.)

STATE OF COLORADO,  
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA, State of Colorado, ss:

I, James B. Pearce, secretary of state of the State of Colorado, do hereby certify that the annexed is a full and true copy of senate joint memorial No. 3, by Senator Napier, duly passed by the seventeenth general assembly of the State of Colorado, approved March 26, 1909, and duly filed in this office the 27th day of March, A. D. 1909, at 9.58 o'clock a. m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Colorado, at the city of Denver, this 28th day of April, A. D. 1909.

[SEAL.]

JAMES B. PEARCE,  
Secretary of State.  
By THOMAS F. DILLON, Jr.,  
Deputy.

Senate joint memorial 3. By Senator Napier.

To the Senate and the House of Representatives  
of the United States of America in Congress assembled:

Your memorialist, the seventeenth general assembly of the State of Colorado, respectfully present—

That in some of the national forest reserves of this State there are large tracts of land which, by reason of their altitude, or for other causes, are incapable of yielding and do not yield any considerable revenue.

That other tracts within said reserves, because of small local demand for lumber or pasture, yield a revenue much less in proportion to their area than many other parts of the reserves.

That by reason of these facts, a distribution of the State's proportion of the revenue from forest reserves of the counties of this State in proportion to the area thereof in such counties is not equitable, and is unfair to those counties in which the revenue derived from the reserves within their boundaries is largely in excess of the average revenue per acre from the entire reserve.

And your memorialist represents that the fair and just way to apportion such fund is to divide it among the counties affected in proportion as it has been derived from lands within their respective borders.

Your memorialist further represents that such fund should not be applied solely to school purposes, but that it should be left to the county commissioners of the several counties to be divided, in such proportion as they deem best, between the school fund and the road fund, from time to time.

Your memorialist therefore prays that such legislation be had in your honorable bodies as will affect the changes in the law as above suggested.

STEPHEN R. FITZGARRALD,  
President of the Senate.  
H. L. LUBERS,  
Speaker of the House of Representatives.

Approved March 26, 1909.

JOHN F. SHAFROTH,  
Governor of the State of Colorado.

The VICE-PRESIDENT. The memorial will be referred to the Committee on Public Lands.

Mr. CLARK of Wyoming. I notice, in reference to this memorial and the one immediately preceding it, more especially the former, that they deal almost entirely with the legality or constitutionality or unconstitutionality of the action of a department of the Government. I suggest to the Chair that under those conditions possibly the proper reference of the former memorial, at least, would be to the Judiciary Committee.

The VICE-PRESIDENT. It is the impression of the Chair that the Senator from Wyoming is correct. If the Senator from Colorado has no objection, the Chair will refer both memorials to the Committee on the Judiciary.

Mr. HUGHES. Very well.

The VICE-PRESIDENT. They are so referred.

Mr. CURTIS presented petitions of sundry citizens of Salina, Kansas City, Hutchinson, Morland, Hill City, Waldo, Great

Bend, Wellington, Iola, Douglas, Augusta, Wichita, Caldwell, Perth, Milan, and Eureka, all in the State of Kansas, praying for the repeal of the duty on hides, which were ordered to lie on the table.

Mr. FRYE presented petitions of sundry citizens of Jefferson, Me., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. BULKELEY. I present a memorial of sundry citizens of Middletown, Conn., employed in the cigar industry, remonstrating against the free admission into this country of Philippine manufactured cigars in any quantity. I ask that the petition lie on the table and be printed in the RECORD.

There being no objection, the petition was ordered to lie on the table and be printed in the RECORD, as follows:

MIDDLETOWN, CONN., April 29, 1909.

HON. MORGAN G. BULKELEY,  
Hartford, Conn.

DEAR SIR: We the undersigned citizens of Middletown, Conn., being employed in the cigar industry, do vigorously protest against the free admittance of Philippine manufactured cigars in any quantity.

Since October, 1907, the cigar industry, owing to the general depression in business, has seriously suffered. We believe that if the cigar business received any additional impairment a good percentage of the cigar makers in this country would have to give up their trade, in which they served three long years' apprenticeship, and be forced to go into competition with the cheaper paid and less skilled laborers.

We protest against being pitted against oriental labor in our struggle for existence. We hold that no amount of legislation on the part of the Congress of the United States can or ever will lift the Filipinos to our standard.

We respectfully call your attention to the fact that while the Filipino lives in a country where clothing, shoes, and warm houses are unnecessary, we live in a climate which necessitates these protections for our bodies, and we have to pay American prices for them. Again, we can not live on 6 cents' worth of rice a day.

For these reasons we beg of you to use your voice and vote against the enactment of any bill providing for free trade in Philippine cigars.

Respectfully, yours,

Chas. Anderson, E. B. Convey, Charles Twenty, J. F. Richey, J. J. Convey, Chas. H. Smith, Charles P. Abbey, Stephen Spaw, Daniel Robert Convey, Bruno Daigle, Jas. Daly, Jas. W. Convey, William Fluhner, L. L. May, John C. Graham, Frank E. Convey, Fredrick J. La Rouchie, James A. Dunn, John R. Hill, Jack S. La Violette, John J. Smithwick, Edmond Fitzgibbons, John T. Barry, Wm. O'Donnell, Humphrey O'Connor, John Cushing, John Anderson, Gus Boden.

Mr. BULKELEY. I present a petition of sundry manufacturers of pen and pocket knives with factories located in the State of Connecticut, relative to the proposed duty on knives and erasers. I ask that the petition lie on the table and be printed in the RECORD.

There being no objection, the petition was ordered to lie on the table and be printed in the RECORD, as follows:

To the Hon. MORGAN G. BULKELEY,

Senate of the United States, Washington, D. C.:

The undersigned manufacturers of pen and pocket knives, with factories located in the State of Connecticut, respectfully petition for the adoption of Senate substitute for H. R. 1438, paragraph 151, as reported by the Finance Committee, with particular reference to the proviso beginning line 2, page 50, reading as follows:

"Provided, That any of the foregoing knives or erasers, if imported in the condition of assembly, but not fully finished, shall be dutiable at not less than the rate of duty herein imposed upon fully finished knives and erasers valued at more than \$3 per dozen."

Also the proviso beginning line 20, page 50, reading as follows: "Provided further, That all the articles specified in this paragraph shall have the name of the maker and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of each and every blade."

The rates prescribed in this section are identical with existing law, under which imports have steadily increased from \$604,732 in 1899 to \$1,007,799 in 1907, an increase of 67 per cent in eight years, with a corresponding increase in revenue.

We regard with serious apprehension the recent enormous increase of importations of pocketknives assembled and lacking but a few inexpensive operations to completely finish, yet of such appearance as to give a false impression of their real value. Knives in this condition have not, and can not have, a market value either in the country of origin or in this country, thus offering unlimited opportunity for gross undervaluation, which the present law fails to prevent.

Of equal importance to the American pocketknife industry is the increasing importation of cutlery bearing fraudulent marks, implying, and intending to imply, American manufacture after the stamp of the country of origin has been removed, a common practice with deliberate intention to deceive the American consumer.

We believe that the provisions of paragraph 151 as recommended by the Finance Committee will effectually protect the American workman against this unfair and unscrupulous competition.

Very respectfully,

Miller Brothers Cutlery Company, Meriden, by Chast Rockwell, general manager; American Shear and Knife Company, Hotchkissville, by A. S. Dorwitzer, president and treasurer; Empire Knife Company, Winsted, by S. L. Alvord, secretary; Holley Knife Company, Lakeville, by M. D. Rudd, treasurer and manager; Humason & Beckley Knife Company, New Britain, by W. L. Humason, president; Thomaston Knife Company, Thomaston, by J. R. Warner, secretary; Waterville Cutlery Company, Waterville, by George J. Babcock, president; Northfield Knife Company, Northfield, by F. H. Catlin, president; Challenge Cutlery Company, Bridgeport, by W. M. Taussig, president.

Mr. LA FOLLETTE. I present a joint resolution of the legislature of Wisconsin, which I ask may be read.

There being no objection, the joint resolution was read and ordered to lie on the table, as follows:

Joint resolution petitioning Congress for the establishment of a permanent, nonpartisan, expert tariff commission.

Whereas for many years the tariff has been the subject of political contention which has led to periodical upheaval and uncertainty in the commercial activities of the Nation; that it has not always been adjusted in manner to best promote and protect the industrial interests as a whole, and has too often been dealt with as a purely political question, without giving full consideration to the grave economic principles involved in the same;

Whereas a study of the methods under which other great commercial nations of the world are handling these subjects leads to the conclusion that the United States must call into its service in the near future the aid of a trained body of men to enable us to meet intelligently the various perplexing questions arising out of the general adoption of maximum and minimum tariffs by several of our strongest competitors for the world's trade: Therefore be it

*Resolved by the senate (the assembly concurring),* That we respectfully memorialize the Congress of the United States to speedily enact such legislation as will create a permanent, nonpartisan tariff commission, with semijudicial functions, such as the power to summon witnesses, which shall make an unbiased investigation of the operation of our customs duties, regulation, and classification, hear complaints, study domestic and foreign market conditions, and report to the Executive and to Congress from time to time such modifications as in their judgment may safely and properly be made in the interests of the general welfare.

JOHN STRANGE,  
President of the Senate.

F. E. ANDREWS,  
Chief Clerk of the Senate.

L. H. BANCROFT,  
Speaker of the Assembly.

C. E. SHAFFER,  
Chief Clerk of the Assembly.

Mr. LA FOLLETTE. I present a joint resolution of the legislature of Wisconsin, which I ask may be read and referred to the Committee on the Judiciary.

There being no objection, the joint resolution was read and referred to the Committee on the Judiciary, as follows:

Joint resolution relating to investigation of stock exchanges.

Whereas the recent wheat deal has again demonstrated to the American people that even the bread supply of our land is at the mercy of speculators; and

Whereas the recent panic has demonstrated that it is unwise and unsafe for our country to allow the control of our great commercial and industrial conditions to exist in the hands of stock gamblers without check of any kind; and

Whereas it is of interest to all citizens to know the means by which the huge combine of money in Wall street can be manipulated, and it is also the interest of the welfare of all the people that the white light of publicity should be thrown upon the stock-exchange business in general: Therefore be it

*Resolved by the assembly (the senate concurring),* That we request our delegation in Congress to use every effort to bring about the thorough investigation of stock-exchange business in this country, and that a most rigorous and searching investigation be at once instituted of the methods of buying and selling in these exchanges, their relation with the banking system and the great financial interests; and be it further

*Resolved,* That our Representatives in Congress are hereby requested to introduce such remedial legislation into our National Congress as will effectually check the evils of this system; and

*Resolved,* That a copy of the foregoing be immediately transmitted by the secretary of state to each of the Senators and Representatives of this State in the Congress of the United States.

L. H. BANCROFT,  
Speaker of the Assembly.

C. E. SHAFFER,  
Chief Clerk of the Assembly.

JOHN STRANGE,  
President of the Senate.

F. E. ANDREWS,  
Chief Clerk of the Senate.

Mr. LA FOLLETTE. I present a joint resolution of the legislature of Wisconsin, which I ask may be read and referred to the Committee on Education and Labor.

There being no objection, the joint resolution was read and referred to the Committee on Education and Labor, as follows:

Joint resolution indorsing United States Senate bill 8323.

*Resolved by the assembly (the senate concurring),* That we heartily indorse Senate bill No. 8323, introduced into the United States Senate and referred to the Committee on Education and Labor, creating a national children's bureau, and request our United States Senators and Members of Congress to support the same; that a copy of this resolution be transmitted to each of our United States Senators, Members of Congress, and to the chairman of the Senate Committee on Education and Labor.

L. H. BANCROFT,  
Speaker of the Assembly.

C. E. SHAFFER,  
Chief Clerk of the Assembly.

JOHN STRANGE,  
President of the Senate.

F. E. ANDREWS,  
Chief Clerk of the Senate.

Mr. LA FOLLETTE. I present a joint resolution of the legislature of Wisconsin, which I ask may be read and referred to the Committee on Immigration.

There being no objection, the joint resolution was read and referred to the Committee on Immigration, as follows:

Joint resolution relating to cooly and Mongolian labor.

Whereas the overpopulation of the Asiatic nations of Mongolian origin has caused the overflow of those people into other countries; and

Whereas the conditions in this country peculiarly favor the immigration of those people to our shores; and

Whereas the immigration of those people, by their lower standards of living and of society, has resulted and does result in the lowering of wages and of the standard of living of the American laborers; and

Whereas such people are unfit to become citizens of this Republic and have no intention or desire to fit themselves to become such, but, rather, to return after a few years to their native lands, thus resulting in an economic loss to this country; and

Whereas the exclusion of the Chinese has tended to preserve the economic and social welfare of this country: Therefore be it

*Resolved by the assembly (the senate concurring),* That we memorialize Congress to extend the present Chinese exclusion laws so as to apply to all Asiatics of Mongolian origin; and

*Resolved,* That a copy of the foregoing be immediately transmitted by the secretary of state to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to each of the Senators and Representatives from this State.

L. H. BANCROFT,  
Speaker of the Assembly.

C. E. SHAFFER,  
Chief Clerk of the Assembly.

JOHN STRANGE,  
President of the Senate.

F. E. ANDREWS,  
Chief Clerk of the Senate.

Mr. LA FOLLETTE presented a memorial of the mayor and common council of Appleton, Wis., and a memorial of the mayor and common council of Green Bay, Wis., remonstrating against a reduction of the duty on print paper and wood pulp, which were ordered to lie on the table.

Mr. OLIVER presented the petition of G. W. E. Mayville, of Mayville, Pa., and the petition of L. L. Stearns & Sons, of Williamsport, Pa., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. WARNER presented a petition of sundry citizens of St. Louis, Mo., praying that a pension be granted Allen Barnes, which was referred to the Committee on Pensions.

He also presented petitions of sundry citizens of Jefferson City, St. Louis, Kansas City, Hutchinson, Bowling Green, New London, Perry, Hannibal, Barry, and Jacksonville, all in the State of Missouri, praying for the repeal of the duty on hides, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Liberty, Trenton, Blackburn, Balm, St. Louis, St. Clair, Mount Hope, Frohna, Orrick, Summersville, De Kalb, Union Star, and Amity, all in the State of Missouri, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. DOLLIVER presented petitions of sundry citizens of Clear Lake, Clarion, Laporte, Mount Auburn, Delaware, Earlville, Aurora, Mason City, Oneida, Cresco, Lime Springs, Calmar, Ridgeway, Ossian, Chester, Riceville, Independence, Osage, St. Ansgar, Hampton, Waverly, and Charles City, all in the State of Iowa, praying for the retention of the present duty on sugar, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Kesley, Wightman, Ellenberg Center, Kirkman, Ramsen, Mount Vernon, and Bonaparte, all in the State of Iowa, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

He also presented a memorial of Julien Lodge, No. 379, International Association of Machinists, of Dubuque, Iowa, remonstrating against the adoption of the piecework system at the navy-yards of the country, which was referred to the Committee on Naval Affairs.

He also presented petitions of sundry citizens of Sioux City and Davenport, in the State of Iowa, praying for the repeal of the duty on asphalt, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Oskaloosa, Iowa, and a memorial of sundry citizens of Gouverneur, Iowa, remonstrating against an increase of the duty on imported gloves, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Lawler, West Union, Hazleton, Cedar Rapids, Waterloo, Marion, Independence, Walker, Volga City, Dubuque, Marshalltown, Elkport, Sioux City, Littleport, Guttenberg, Chester, Nora Springs, Greene, Mason City, Osage, and Ossian, all in the State of Iowa, praying for the repeal of the duty on hides, which were ordered to lie on the table.



## BILLS INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OLIVER:

A bill (S. 2362) granting an increase of pension to Joseph R. Snyder (with the accompanying papers); and

A bill (S. 2363) granting an increase of pension to George W. Newbury (with the accompanying papers); to the Committee on Pensions.

By Mr. BULKELEY:

A bill (S. 2364) granting an increase of pension to Martin W. Frisbie (with the accompanying papers); to the Committee on Pensions.

By Mr. BRANDEGEE:

A bill (S. 2365) granting an increase of pension to Maria A. De Forest; to the Committee on Pensions.

By Mr. HUGHES:

A joint resolution (S. J. R. 36) to secure to the Third Regiment Colorado Volunteer Cavalry, who served during the late war of the rebellion, and to their widows and minor children, the benefit of the provisions of the general pension laws, the act of June 27, 1890, and the act of February 6, 1908, and to restore the status of said regiment; to the Committee on Pensions.

## AMENDMENTS TO THE TARIFF BILL.

Mr. GUGGENHEIM submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. GORE submitted two amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

## THE TARIFF.

Mr. DEPEW. Mr. President, I desire to give notice that on Monday, immediately after the routine morning business, I shall make some remarks upon the pending tariff bill.

## THE BUSINESS OUTLOOK.

Mr. SCOTT. Mr. President, I ask unanimous consent to present a very short interview, to be read by the Secretary. Yesterday we had read at the desk an editorial from the New York Sun which probably three-fourths of us had already read and with which we were familiar. I have no doubt almost every Senator on the floor has read the interview I am going to ask the Secretary to read, but it will take only a moment.

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none; and the Secretary will read the matter sent to the desk by the Senator from West Virginia.

The Secretary read as follows:

J. J. HILL IS OPTIMISTIC—LOOKS FOR ERA OF PROSPERITY AT AN EARLY DAY—SAYS "SHUT OFF ORATORY"—WANTS COUNTRY TO GET DOWN TO FARMING AND BUSINESS.

[From the Washington Evening Star, Thursday, May 13, 1909.]

James J. Hill, railroad man, business man, likewise farmer, is optimistic as to the outlook. All that is necessary to bring on a great era of prosperity at an early date, he believes, is to get rid of the tariff agitation, cut it off short, shut off the oratorical steam, and let the country get down to farming, business, and banking.

"You know thousands of people turn their eyes to Washington," Mr. Hill said. "Some of them seem to think that legislation will cure the toothache, set a broken limb, or make crops. Agitation and talk here keep these people in suspense, make them forget their business. What we want is to have the tariff agitation over and let these thousands of people turn their attention to their business and work, aiding the great wheels of progress to turn. Then things will begin to hum. Yes; the outlook is good in all directions."

"The stock and bond business in New York seems to be discounting the possibilities?"

"Oh, that is all made in New York. The millions of people of the country are not bothering with stocks or bonds. What we must look to now is our crops."

## WHEAT OUTLOOK IS GOOD.

"The Great Northern road runs through a section that supplies one-sixth of the wheat of the United States. The wheat outlook is good. I do not think there will be a big crop. It promises to be a fair one, however. The trouble is that the acreage is not a large one. Heavy snows late in the spring prevented plowing, the ground being too wet. After the ground was ready to plow many farmers put in oats and barley. The plowing should have been done last fall."

"You talk as if you knew something about real farming, Mr. Hill."

"Well, I believe I do. I own two big farms, one of 20,000 acres and another of 6,000. I have given much study to the subject. It was necessary for me to do so in connection with my railroad business."

And Farmer Hill talked learnedly of agricultural publications and the possibilities of agriculture in the South and West.

"The West and the South are to be the great sections of this country in the future," said Farmer Hill. "The West is now, for that mat-

ter, and the South is coming forward with leaps and bounds. The South exhausted her soil before the war by her methods of improvident agriculture and is now struggling to restore the soil. She is succeeding, too, and has a great future."

Mr. SCOTT. I wish to say in connection with this interview from one who is, in my opinion, the greatest transportation master in this or any other country, that it is in line with letters I am receiving not only from my own State but from all over the country, begging and praying that we gentlemen here shall get through with our wind jamming and let the country go ahead with its business. They say they are all ready and waiting for us to adjourn. I hope that this interview of Mr. Hill will make an impression.

## THE TARIFF.

The VICE-PRESIDENT. The morning business is closed. The first bill on the calendar will be taken up.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BEVERIDGE obtained the floor.

Mr. BROWN. I desire to suggest the absence of a quorum.

The VICE-PRESIDENT. The Senator from Nebraska suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Cullom	Heyburn	Piles
Bacon	Cummins	Hughes	Rayner
Beveridge	Curtis	Johnson, N. Dak.	Root
Bradley	Daniel	Johnston, Ala.	Scott
Briggs	Depeu	Jones	Simmons
Bristow	Dick	Kean	Smith, Md.
Brown	Dillingham	La Follette	Smith, Mich.
Bulkeley	Dixon	Lodge	Smith, S. C.
Burkett	Dolliver	McCumber	Smoot
Burnham	du Pont	McEnery	Stephenson
Burrows	Fletcher	McLaurin	Stone
Burton	Flint	Money	Sutherland
Carter	Foster	Nelson	Taylor
Chamberlain	Frazier	Oliver	Tillman
Clapp	Frye	Overman	Warner
Clark, Wyo.	Gallinger	Page	Warren
Clarke, Ark.	Gamble	Paynter	
Clay	Guggenheim	Penrose	
Culberson	Hale	Perkins	

The VICE-PRESIDENT. Seventy-three Senators have responded to the roll call. A quorum is present.

Mr. BEVERIDGE. Mr. President, on the 19th of February I read in the papers a rather conspicuous account of an important report by one of the departments of the Government. So forcibly did it strike me that from that time until this moment I have been patiently investigating the subject about which I am going to ask the Senate's indulgence to make a statement. The fruit of this research I have embodied in an amendment to the present bill, which I send to the desk. It need not be read now. It may be printed and lie on the table.

The VICE-PRESIDENT. That order will be made, without objection.

Mr. BROWN. I suggest that it be printed in the RECORD.

Mr. BEVERIDGE. The Senator from Nebraska [Mr. BROWN], who always is vigilant, suggests to me that it be printed in the RECORD. The suggestion is a good one, as the ideas of the Senator from Nebraska [Mr. BROWN] usually are. So if there is no objection to that, I ask to have it printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

[H. R. 1438, Sixty-first Congress, first session.]

Amendment intended to be proposed by Mr. BEVERIDGE to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, viz: Insert the following:

SEC. —. That upon tobacco, snuff, cigars, and cigarettes manufactured and sold, or removed for consumption or use, there shall, from and after July 1, 1909, be levied and collected, in lieu of the taxes now imposed by law, the following taxes:

On snuff manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 12 cents per pound. And snuff flour, when sold or removed for consumption or use, shall be taxed as snuff, and shall be put up in packages and stamped in the same manner as snuff.

On all chewing and smoking tobacco, fine cut, cavendish, plug or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine cut shorts and refuse scraps, clippings, cuttings, and scrapings of tobacco, a tax of 9 cents per pound.

On cigars weighing more than three pounds per thousand, a tax of \$3 per thousand: *Provided*, That on such cigars of a wholesale value or price of more than \$35 per thousand and not exceeding \$75 per thousand, the tax shall be \$4.50 per thousand; and on such cigars of

a wholesale value or price of more than \$75 per thousand and not exceeding \$110 per thousand, the tax shall be \$6 per thousand; and on such cigars or cigarettes of a wholesale value or price of more than \$110 per thousand, the tax shall be \$9 per thousand.

On cigars weighing not more than three pounds per thousand, a tax of \$1 per thousand.

On cigarettes weighing not more than three pounds per thousand, a tax of \$1.50 per thousand: *Provided*, That on such cigarettes of a wholesale value or price of more than \$4 per thousand and not exceeding \$8 per thousand, the tax shall be \$3 per thousand, and on such cigarettes of a wholesale value or price of more than \$8 per thousand the tax shall be \$4.50 per thousand.

On cigarettes weighing more than 3 pounds per thousand, a tax of \$3.60 per thousand.

That in addition to the packages of smoking tobacco and snuff now authorized by law there shall be packages of 1½ ounces, 2 ounces, 2½ ounces, 3 ounces, 3½ ounces, and 4 ounces; and there may be a package containing 1 ounce of smoking tobacco.

Sec. — That section 3 of the act of April 12, 1902, entitled "An act to repeal war revenue taxation, and for other purposes," and all amendments thereof, and all other acts and parts of acts in conflict with sections of this act are hereby repealed.

Sec. — That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on tobacco, snuff, cigars, and cigarettes, may be stamped or imprinted with a suitable device to denote the new rate of tax, and shall be affixed to all packages containing such articles on which the tax imposed by this act is paid. And any person having possession of unaffixed stamps heretofore issued for the payment of the tax upon such articles shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchasers and issue in lieu thereof new or imprinted stamps at the rate provided by this act.

Mr. BEVERIDGE. Upon this amendment, Mr. President, I desire to make a brief statement, and the facts stated, I think, will be found to be accurate.

Mr. President, from the beginning of this discussion the question has been sharply raised whether the present act will bring in enough revenue. This amendment partly answers that question, for it will bring in at least \$21,461,954.62 more revenue each year than we now are getting or than the present bill will produce. But this amendment does more than provide this needed revenue; it corrects an injustice to the American people, which has lasted for nearly eight years. We can not undo the wrong that has been done during these years, but we can stop it in the future.

#### TAX RAISED; PACKAGES REDUCED.

In 1898 the tax on all forms of tobacco was raised in order to supply the Government with a needed increase in revenue. But at the time Congress put this increased tax on tobacco it authorized manufacturers to reduce the size of the packages in which the tobacco was sold to the people. This enabled the manufacturer to collect the tax from the consumer. Congress made the manufacturer pay a bigger tax, but permitted the manufacturer to sell a smaller amount of tobacco for the same price formerly paid for a larger amount of tobacco.

#### TAX REMOVED; SHORT-WEIGHT PACKAGES CONTINUED.

In 1901-2 this increased tobacco tax was removed, but the short-weight packages of tobacco were continued by the very law that removed the tax. Nor did the manufacturers restore the larger packages of tobacco after the tax had been removed; neither did they reduce the price. Therefore, for seven years the people have been compelled to pay the same price for these smaller packages which Congress authorized in 1898; while the manufacturer has been relieved from the increased tax which these short-weight packages enabled him to collect from the people.

The manufacturer still collects the war-time tax from the people, but instead of paying it to the Government he keeps it for himself.

#### LOSS TO GOVERNMENT.

In this way the Government has handed over to tobacco manufacturers and lost to itself \$12,897,993.67 in 1902, \$25,681,607.21 in 1903, \$26,915,270.88 in 1904, \$27,524,955.49 in 1905, \$29,326,009.97 in 1906, \$31,198,451.32 in 1907, and \$30,546,268.89 in 1908. *All told, the Government has lost \$184,090,557.43 in the last eight years; most of this has come out of the pockets of the people and gone into the pockets of the manufacturer.*

So that Senators may see when they come to read this statement in the Record, the amount of revenue which we have gotten after the tax was removed and the amount we would have gotten if the tax had not been removed, I shall ask leave to put into the Record the figures without, of course, reading them.

I have carefully tabulated them in parallel columns, which show at a glance the amount of money the Government has lost by the removal of the war tax, and the amount of money the people have lost because Congress specifically authorized the war-time short-weight package at the very time it removed the war tax.

The table referred to is as follows:

COMPARISON OF ACTUAL REVENUES ON TOBACCO MANUFACTURES WITH REVENUE AT SPANISH WAR RATES, FISCAL YEARS 1901-1908.

1901.			
	Actual.	At 1901 rates.	Difference.
Cigars:			
Large.....	\$20,775,363.73		
Small.....	684,504.05		
Cigarettes:			
Small.....	3,407,433.94		
Small, under \$2 per thousand.....			
Large.....	19,609.89		
Tobacco.....	35,292,205.76		
Snuff.....	2,005,021.32		
Total.....	62,182,138.69		
Total, exclusive of cigars.....	40,722,270.91		
1902.			
	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$18,311,142.25	\$21,973,370.70	\$3,662,228.45
Small.....	410,903.48	760,932.37	350,028.89
Cigarettes:			
Small.....	2,457,550.86	3,413,265.08	955,714.22
Small, under \$2 per thousand.....	198,424.02	551,177.83	352,753.81
Large.....	31,164.67		
Tobacco.....	28,612,644.15	35,765,805.19	7,153,161.04
Snuff.....	1,696,029.02	2,120,536.28	424,107.26
Total.....	51,718,258.45	64,616,252.12	12,897,993.67
Total, exclusive of ordinary cigars.....	32,996,212.72	41,881,949.05	8,885,736.33
1903.			
	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$20,359,171.60	\$24,431,005.92	\$4,071,834.32
Small.....	345,869.93	640,499.87	294,629.94
Cigarettes:			
Small.....	2,743,594.89	3,810,548.46	1,066,953.57
Small, under \$2 per thousand.....	265,425.17	737,292.14	471,866.97
Large.....	29,041.06	34,849.27	5,808.21
Tobacco.....	18,640,059.20	37,280,118.40	18,640,059.20
Snuff.....	1,130,455.00	2,260,910.00	1,130,455.00
Total.....	43,513,616.85	69,195,224.06	25,681,607.21
Total, exclusive of "large" (ordinary) cigars.....	22,808,575.32	44,123,718.27	21,315,142.95
1904.			
	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$20,122,415.59	\$24,146,898.71	\$4,024,483.12
Small.....	376,296.25	696,844.91	320,548.66
Cigarettes:			
Small.....	2,921,852.50	4,058,128.47	1,136,275.97
Small, under \$2 per thousand.....	281,482.17	781,894.92	500,412.75
Large.....	25,264.83	30,317.80	5,052.97
Tobacco.....	19,719,042.61	39,438,085.22	19,719,042.61
Snuff.....	1,209,454.80	2,418,909.60	1,209,454.80
Total.....	44,655,808.75	71,571,079.63	26,915,270.88
Total, exclusive of "large" (ordinary) cigars.....	24,157,096.91	46,727,336.01	22,570,239.10
1905.			
	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$20,582,743.73	\$24,699,292.48	\$4,116,548.75
Small.....	395,348.22	728,422.63	333,074.41
Cigarettes:			
Small.....	3,004,925.40	4,173,507.50	1,168,582.10
Small, under \$2 per thousand.....	316,372.18	878,811.61	562,439.43
Large.....	25,262.71	30,315.25	5,052.54
Tobacco.....	20,069,346.60	40,138,693.20	20,069,346.60
Snuff.....	1,267,911.65	2,535,823.32	1,267,911.66
Total.....	45,659,910.50	73,184,865.99	27,524,955.49
Total, exclusive of "large" (ordinary) cigars.....	24,683,818.55	47,757,150.88	23,073,332.33



COMPARISON OF ACTUAL REVENUES ON TOBACCO MANUFACTURES WITH REVENUE AT SPANISH WAR RATES, FISCAL YEARS 1901-1908—cont'd. 1906.

	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$21,524,415.67	\$25,829,298.80	\$4,304,883.13
Small.....	483,768.41	895,867.43	412,099.02
Cigarettes:			
Small.....	3,371,972.43	4,683,295.04	1,311,322.61
Small, under \$2 per thousand..	356,977.54	991,604.28	634,626.74
Large.....	28,481.07	34,177.28	5,696.21
Tobacco.....	21,294,929.95	42,589,859.90	21,294,929.95
Snuff.....	1,362,452.31	2,724,904.62	1,362,452.31
Total.....	48,422,997.38	77,749,007.35	29,326,009.97
Total, exclusive of "large" (ordinary) cigars.....	26,414,813.30	51,023,841.12	24,609,027.82

1907.

	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$22,470,434.38	\$26,964,521.26	\$4,494,086.88
Small.....	622,152.05	1,152,133.43	529,981.38
Cigarettes:			
Small.....	4,671,500.16	6,488,194.67	1,816,694.51
Small, under \$2 per thousand..	446,255.47	1,239,598.53	793,343.06
Large.....	45,477.68	54,573.22	9,095.54
Tobacco.....	22,151,178.16	44,302,356.32	22,151,178.16
Snuff.....	1,404,071.79	2,808,143.58	1,404,071.79
Total.....	51,811,069.69	83,009,521.01	31,193,451.32
Total, exclusive of "large" (ordinary) cigars.....	28,718,483.26	54,892,866.32	26,174,383.06

1908.

	After removal of tax.	What revenue would have been if tax had not been removed.	Loss to Government, yet collected from the people.
Cigars:			
Large.....	\$20,714,276.35	\$24,857,131.62	\$4,142,855.27
Small.....	545,050.24	1,009,352.30	464,302.06
Cigarettes:			
Small.....	4,879,346.50	6,776,870.14	1,897,523.64
Small, under \$2 per thousand..	467,257.25	1,297,936.81	830,679.56
Large.....	57,394.45	68,873.34	11,478.89
Tobacco.....	21,846,563.72	43,693,127.44	21,846,563.72
Snuff.....	1,352,865.75	2,705,731.50	1,352,865.75
Total.....	49,862,754.26	80,409,023.15	30,546,268.89
Total, exclusive of "large" (ordinary) cigars.....	28,603,427.67	54,542,539.23	25,939,111.56

Mr. BEVERIDGE. I have given the grand totals, and also the totals exclusive of cigars, because I propose to raise the tax only on high-priced cigars. The term "little cigars" applies to things not usually considered cigars at all—small tobacco-wrapped affairs that, practically, are not much more than cigarettes.

Although the war tax has been removed, yet the tobacco manufacturer has still continued to collect it from the people, because, by authority of Congress, he has still sold the war-time short-weight package for the same price; so that Congress, unwittingly, has authorized the transfer of this tax from the Treasury of the Government to the treasury of the Tobacco Trust.

## THE AMERICAN TOBACCO COMPANY.

It was because of the development of the Tobacco Trust, which has so nearly monopolized the business, that this situation exists, for this Trust was organized in its present wide-reaching scope just when the tax was raised and the size of packages reduced—before this there was competition except in cigarettes.

I use the words "Tobacco Trust" advisedly, for it is a fact capable of mathematical demonstration—and I have the figures to demonstrate it at any time it is desired, that the bulk of this tax, except on cigars, has gone into the treasury of the American Tobacco Company, which is known as and, in fact, is the Tobacco Trust, perhaps the most compact and effective private monopoly in existence.

This amendment simply restores the tax which the Tobacco Trust formerly collected from the people and paid to the Government and which, by authority of Congress, unintentionally given, of course, it still collects from the people but keeps for itself.

SHOULD THE PEOPLE STILL PAY FOR SHORT PACKAGES AND THE TRUST BE RELIEVED OF THE TAX AT THE SAME TIME?

Either Congress should compel the Trust to sell nothing but the larger packages of tobacco sold before 1898, when the size was reduced and the tax increased, or else Congress ought to restore the tax, to enable the manufacturers to pay which the size was reduced.

Why should the Trust be authorized to still sell the short-weight packages and yet be relieved of the tax, to collect which these short-weight packages were provided? Why should the Trust be permitted to still collect the tax from the people and put it in the Trust's treasury to swell the Trust's profits instead of putting it in the Government's Treasury to swell the Government's revenues?

## CIGAR MAKERS NOT AFFECTED BY THIS AMENDMENT.

At this point, before going further, I wish to point out that this amendment does not affect the cigar makers of the country. It does not increase the tax on any cigars except those which sell for 10 cents (or three for a quarter) or over. I wish this positive statement to be clearly understood so that tens of thousands of cigar makers in the thousands of little independent factories all over the country may understand that no burden whatever is laid upon them. I do this because I know the desperate fight which the Tobacco Trust—whose legal name is the American Tobacco Company—will make upon this amendment.

Within five hours from the time this amendment is printed in the newspapers the ablest men employed by the Tobacco Trust to watch legislation affecting it will be in Washington and remain here until this amendment is voted upon. I am not sure that they are not here now. And within twenty-four hours from the time this amendment is published in the newspapers agents of the American Tobacco Company will be at work among the cigar makers all over the country trying to persuade them that this amendment will bear heavily upon them and attempting to frighten them into besieging Congress with petitions and resolutions against it. Therefore, I want now in the most emphatic way to reassure the cigar makers of the country.

At the very beginning of this discussion I want them to understand that they are not affected by this amendment in any manner, shape, or form, directly or indirectly—and they ought not to be. The manufacture of cigars is the only part of the tobacco business in which the trust has not gotten control of the greater part. The manufacture of cigars, especially those selling for less than 10 cents, is the only portion of the vast tobacco industry of the country which yet remains absolutely free and independent. And the present tax upon cigars selling for less than 10 cents is large enough for times of peace, and this amendment does not increase it.

## ABSURD SYSTEM OF CIGAR TAXATION.

I emphasize the price of cigars in relation to the tax because this amendment does not increase the tax except on high-priced cigars; but upon high-priced cigars it does increase the tax and upon an ascending scale determined by the price. For one of the most curious absurdities in our whole system of taxation is found in this startling fact—we tax cigars regardless of their price.

For example, the man who buys two cigars for 5 cents pays precisely the same tax on each of those 2½-cent cigars as the man who buys a 10-cent cigar. Worse than this, the man who buys a 2½-cent cigar pays the same tax as the man who buys a 25-cent cigar. Still worse than this, the man who buys a 2½-cent cigar pays the same tax as the man who buys a 50-cent cigar.

The workingman, the limit of whose luxury is an occasional 5-cent cigar, pays just as much tax to the Government as Mr. Ryan pays when he buys a dollar cigar.

Is there any possible justification for that? Can anything more absurd be imagined? Is it not outrageous that the man who buys the very cheapest cigar made must pay exactly the same tax as the man who buys the most expensive cigar made? Such ridiculous injustice never has or can be defended; it has crept into the law, apparently without much attention being given to it. It is like so many archaic provisions on our statute books, relics of the good old days when things were taken for granted and before the disturbing spirit of inquiry awoke.

Nor is this the worst. Well-to-do people smoke cigars, and high-priced cigars, but the great majority of the people consume smoking and chewing tobacco, which is a cheaper form of tobacco indulgence. Yet Congress has seen fit to remove the war tax on all forms of tobacco without restoring the full-weight packages on this form of tobacco. So the great body of the people are still paying the war tax on smoking and chewing tobacco and on snuff, but instead of paying it to the Government they are now paying it to the trust.

FIGURES AND FACTS IN THIS STATEMENT ARE OFFICIAL.

The figures that I have presented and shall present to the Senate and the country are official. They are taken from the reports of the Commissioner of Internal Revenue from the year 1898 to the year 1909; and the estimates of revenue which the present amendment will bring to the Government are calculations based upon the figures contained in the reports of the Internal Revenue Commissioner. Any Senator or any citizen can compute them for himself.

In connection with these figures, I will lay before the Senate—and I invite very careful attention to this—the changes in the law by which the present short-weight package was authorized; by which it was continued and even emphasized. And then later on, I shall show the advantage which the Tobacco Trust—the American Tobacco Company—or rather the financiers in control of it, took of the action of Congress.

In all of this I shall rely solely upon the language of the law itself, upon the figures in the reports of the Commissioner of Internal Revenue and upon published government reports. I shall indulge in no loose denunciation or denunciation of any kind, but rely solely upon facts which are all the more startling because they can not be contradicted even by the Tobacco Trust or its various agents, who from this time forth will bend every effort to defeat this amendment and to continue their looting of the people under authority of law.

THE TAX RAISED AND PACKAGES LOWERED.

Prior to 1898 the law required smoking, cut, and granulated tobacco to be sold to the people in packages of 2, 3, 4, 8, and 16 ounces, and the tax was 6 cents a pound.

The law of 1898, which raised the tax from 6 cents a pound to 12 cents a pound, authorized packages of 1½ ounces "in lieu of" 2 ounces, 2½ ounces "in lieu of" 3 ounces, and 3½ ounces "in lieu of" 4 ounces; and it also authorized a 1-ounce package of smoking tobacco, which did not exist before.

The language of the act of 1898 making this change is as follows:

In lieu of the 2, 3, and 4 ounce packages of tobacco and snuff now authorized by law—

Mark this language, and the words I emphasize—there *may be* packages of 1½, 2½, 3½ ounces—and so forth; and the 1-ounce package referred to. The same changes were made as to fine cut and snuff. A little later on I

shall set out in parallel columns the various provisions of the law fixing the size of these packages of tobacco.

THE TAX LOWERED; AND SHORT PACKAGES CONTINUED.

In 1901 the first reduction in the tax of 1898 was provided for; and this act, which removed the tax authorized by the law of 1898, *instead of also removing the short-weight packages authorized in 1898, continued them by not mentioning them* and by merely providing for 2, 3, and 4 ounce packages in the following language: "In addition to packages of smoking tobacco now authorized by law there shall be packages of 2 ounces, 3 ounces, and 4 ounces."

It will be observed that this did not disturb the short-weight war-tax packages provided for in 1898 because the language of the act of 1901 reducing the tax is that "In addition to the packages now authorized," etc.; and as the short-weight war-tax packages were then authorized they were, of course, still authorized.

The only way in which anyone could conceive that the act of 1901 did not continue to authorize the short-weight war-tax packages was that by not specifically mentioning the short-weight packages and by specifically mentioning the full weight packages, the short-weight war-tax packages were discontinued by implication.

I think, perhaps, what I am coming to is possibly the most important of all this comparison of the laws.

WAR TAX ENTIRELY REMOVED AND SHORT-WEIGHT WAR-TIME PACKAGE SPECIFICALLY CONTINUED.

This very thought evidently occurred to some one, because in 1902 *when the remainder of the war tax was removed* the law removing it *specifically reenacted the short-weight war-tax packages in more positive language than the law which authorized the short-weight packages in 1898*. For in the act of 1902 which *entirely removed* the war tax, we find this language *specifically continuing* the short-weight package:

In addition to the packages of smoking tobacco and snuff now authorized by law there *SHALL BE*—

Not "*may be*," as in the act of 1898, which imposed the war tax and provided for the short-weight war-time package; no, not "*MAY BE*," but the act of 1902, which *entirely removed the war tax*, says:

There *SHALL BE* packages of 1½ ounces, 2 ounces, 2½ ounces, 3 ounces, 3½ ounces, and 4 ounces; and there may be a package containing 1 ounce of smoking tobacco.

That these changes in the law may be seen at a glance, I ask permission of the Senate to print in this statement the provisions of the law with reference to size of packages.

The VICE-PRESIDENT. Without objection, permission to do so is granted.

The matter referred to is as follows:

ACTUAL LANGUAGE OF LAWS BEFORE WAR TAX WAS IMPOSED; IMPOSING WAR TAX AND WAR PACKAGE; REMOVING WAR TAX BUT CONTINUING WAR PACKAGE.

(Language of law of 1879 before tax was increased.)

20 Stat., 345, 45th Cong., Mar. 1, 1879, an act to amend laws relating to internal revenue.

This law imposed a tax of six cents a pound on manufactured tobacco and snuff and fixed the packages as follows:

All manufactured tobacco shall be put up and prepared by the manufacturer for sale or consumption, in packages of the following description, and in no other manner.

All snuff in packages containing one-half, one, two, three, four, six, eight, and sixteen ounces, or in bladders and in jars containing not exceeding twenty pounds;

All fine-cut chewing tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing, one, two, three, four, eight, and sixteen ounces, except that fine-cut chewing tobacco may, at the option of the manufacturer, be put in wooden packages containing ten, twenty, forty, and sixty pounds each;

All smoking tobacco and all cut and granulated tobacco other than fine-cut chewing, all shorts, the refuse of fine-cut chewing which has passed through a riddle thirty-six meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, in packages containing two, three, four, eight, and sixteen ounces each.

(Language of law of 1898 which imposed war tax.)

30 Stat., 450, 55th Cong., June 13, 1898.

This law imposed a tax of twelve cents a pound and provided the following regarding packages:

In lieu of the two, three, and four ounce packages of tobacco and snuff now authorized by law, there may be packages thereof containing one and two-thirds ounces, two and one-half ounces, and three and one-third ounces, respectively, and in addition to packages now authorized by law, there may be packages containing one ounce of smoking tobacco.

(Language of the law of 1901, which partly removed the war tax.)

31 Stat., 934, 56th Cong., Mar. 2, 1901.

This law partly removed the war tax but continued the war short-weight packages by merely adding:

In addition to the packages of smoking tobacco now authorized by law there shall be packages of two ounces, three ounces, and four ounces, etc. (Rebate on unbroken packages must be called for within sixty days following date of reduction and for an amount not less than ten dollars.)

(Language of law of 1902, which entirely removed the war tax.)

32 Stat., 96, 57th Cong., April 12, 1902.

This law entirely removed the war tax, but expressly enacted the war-size packages.

That, in addition to the packages of smoking tobacco and snuff now authorized by law, there shall be packages of one and two-thirds ounces, two ounces, two and one-half ounces, three ounces, three and one-third ounces, and four ounces; and there may be a package containing one ounce of smoking tobacco.



Mr. BEVERIDGE. That the removal of the war tax and the express and specific reenactment of the short-weight war-tax packages which were first provided by the act of 1898, for the purpose of enabling the manufacturer to collect the war tax from the people, may become still plainer to the eye than the above parallel, I have devised another form of parallel columns, which I will print in my statement without reading.

SIZES OF PACKAGES OF TOBACCO PRESCRIBED BY LAW.

	1879.	1898.	1901.	1902.	
	Ozs.	Ozs.	Ozs.	Ozs.	
Smoking tobacco, cut and granulated tobacco.	1	1	1	(b)	The 1½, 2½, and 3½ ounce packages were provided for in this language (1898): "In lieu of the 2, 3, and 4 ounce packages of tobacco and snuff now authorized by law there may be packages of 1½ ounce, etc."
	2	2	2		
	3	3	3		
	4	4	4		
	8	8	8		
Fine cut, and tobacco not otherwise provided.	16	16	16	(a)	In 1901 the only provision as to packages was: "In addition to the packages of smoking tobacco now authorized by law there shall be packages of 2 ounces, 3 ounces, and 4 ounces."
	1	1	1	(b)	
	2	2	2		
	3	3	3		
	4	4	4		
Snuff	16	16	16	(a)	1902. Revised section of act of 1898: "In addition to the packages of smoking tobacco and snuff now authorized by law there shall be packages of 1½ ounces, 2 ounces, 2½ ounces, 3 ounces, 3½ ounces, and 4 ounces; and there may be a package containing 1 ounce of smoking tobacco."
	1	1	1	(b)	
	2	2	2		
	3	3	3		
	4	4	4		

<sup>a</sup> Unchanged.

<sup>b</sup> Unchanged and specifically reenacted.

So we see that the act of 1898, which established the war tax on tobacco and authorized the short-weight package to enable the manufacturer to collect this tax from the people, said that—

"There may be packages of 1½ ounces, 2½ ounces, 3½ ounces, and a 1-ounce package."

Whereas the act of 1902, which entirely removed the war tax, provides that—

"There shall be packages of 1½ ounces, 2 ounces, 2½ ounces, 3 ounces, 3½ ounces, and 4 ounces; and the 1-ounce package."

Thus, unintentionally of course, Congress authorized the Tobacco Trust, which in 1902 was fully formed, in positive language, to sell short-weight war-time packages and yet pay no war tax upon them.

In the war-tax act the language authorizing the short-weight war-tax packages is "there may be;" in the act of 1902 removing the war tax entirely the language in continuing the short-weight war-tax packages is "there shall be." Between these two acts there is the act of 1901, which some one evidently thought might by implication discontinue the short-weight war-tax package.

#### THE CHANGES IN THE LAW AND THE OPERATIONS OF THE TRUST.

The import of these sections of the law comes to us with great force when we consider the operations of the Tobacco Trust, as I shall do briefly in a moment; for I shall demonstrate that most of this tax which formerly went to the Treasury of the Government has, by the language of these acts, gone to the treasury of the Tobacco Trust. Anyone can see that this might be the case, and I shall prove by government figures that it has been the case and is the case right now.

The history of the Tobacco Trust is, perhaps, the most amazing in all the chronicles of high finance. Particularly is this so when we consider the advantage it took of the law fixing the war tax and reducing the size of the packages, and of the law removing the war tax and expressly continuing the war-time short-weight package. If it becomes necessary I shall hereafter go into this history very minutely, but for the present I will content myself with an outline.

Mr. CLARKE of Arkansas. Mr. President—

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. BEVERIDGE. I hope the Senator will not interrupt me. I want to get this in connectedly. I do not want my statement broken. I have prepared it with care.

The VICE-PRESIDENT. The Senator from Indiana prefers not to be interrupted.

Mr. BEVERIDGE. Oh, no.

Mr. CLARKE of Arkansas. The Senator from Indiana has not explained how—

The VICE-PRESIDENT. The Senator from Indiana declines to yield.

Mr. BEVERIDGE. No; go ahead.

Mr. CLARKE of Arkansas. I beg the Senator's pardon.

The VICE-PRESIDENT. Does the Senator from Indiana yield, or does he not yield?

Mr. BEVERIDGE. I can not refuse to yield to the Senator from Arkansas for anything. I should like to get my statement in connectedly; but I yield gladly to the Senator from Arkansas.

Mr. CLARKE of Arkansas. I wish to inquire in reference to what the Senator has said. There is one feature of the controversy which he has not made clear to my mind; that is as to how the reduction of the size of the package of tobacco affected the question when the tax was laid on a pound of tobacco.

Mr. BEVERIDGE. I will come to that. I will explain that very clearly, I think. If I do not do it this morning, I certainly will do it hereafter. I will stop, however, for just a moment to make a brief explanation of that right now. I had better call the Tobacco Trust the American Tobacco Company, because I am going to show how much it controls—and all this is in the government reports—so I had better call it that.

#### HOW THE TRUST GETS THE TAX OUT OF THE PEOPLE.

These short-weight packages were provided in order to enable the manufacturers to collect this tax from the consumer, and this is the way they got it. Of course, if they sold a 1½-ounce package instead of the 2-ounce package which they sold before, for the same price, which was the case, they would get more packages out of a pound.

Mr. CLARKE of Arkansas. The consumers were accustomed to paying 5 cents for a package.

Mr. BEVERIDGE. Certainly. The Senator states the point exactly. The Trust would get that much more a pound, because they would make that many more packages out of a pound. That is clear, is it not? It is the same way with plug. I will explain the plug matter a little later on. Now, of course, the tax is placed upon the pound of tobacco; but the Trust is specifically authorized by law to sell smaller packages; and so since a pound will make a larger number of these smaller packages, the Trust gets more money for a pound.

That is the way the war tax was collected from the people; and as the law now specifically authorizes the same short-weight war-time packages, the Trust, of course, still gets the war-time price for a pound of tobacco, since these short-weight war-time packages are still sold at the same price.

So the Trust collects the war-tax now, just as it did during the war; only it paid it to the Government during the war, and now it pays it to itself. If necessary, I am going to trace out the connection between the millions of money which I shall show it has collected and its capitalization.

In the case of plug, of course the tax is also on the pound, and of course no particular size cut of plug is prescribed in the law, as there is in the case of packages; but Senators who have examined into this question—and there may be some here—know how that is done. The Trust, or the manufacturer, sends out a long plug. On this plug are marked the places where it is to be cut and sold to the consumer; that is to say, a 5-cent cut or a 10-cent cut, and so forth. So that by making it vary perhaps one cut more to the plug and then taking off of each cut that a man might buy an amount equivalent to a single chew, the tobacco company will get the tax on the pound. Is that clear?

Mr. CLARKE of Arkansas. Yes.

Mr. BEVERIDGE. Very well. Now, Mr. President, I come to a brief outline of the history of the American Tobacco Company, and you will see its connection with these laws.

#### THE TOBACCO TRUST (AMERICAN TOBACCO COMPANY) AND EXTENT OF ITS MONOPOLY.

The American Tobacco Company was organized in 1890 with a capitalization of \$25,000,000, and only \$5,000,000 of tangible assets. At this time its sole business was that of manufacturing and selling cigarettes, of which it even then had the monopoly. So great were its profits upon this branch of the tobacco industry that it determined to take in all other branches of the industry. It began with the plug and smoking tobacco business; then extended its operation to the snuff business, and finally even entered the field of the cigar business.

Now, mark how much it controls and you will see why it can be demonstrated by figures from government reports that most of the revenue that has been lost has gone into its treasury by taking advantage of the law, which of course Congress unwittingly passed.

By cutting prices so as to compel competitors to sell to it or enter the new combinations which it from time to time organized, it has at the present time secured control of MORE THAN 82 PER CENT OF THE ENTIRE OUTPUT OF CHEWING TOBACCO OF THE COUNTRY; MORE THAN 71 PER CENT OF THE SMOKING-TOBACCO OUTPUT OF THE COUNTRY; MORE THAN 82 PER CENT OF THE CIGARETTE OUTPUT OF THE COUNTRY; AND MORE THAN 96 PER CENT OF THE SNUFF OUTPUT OF THE COUNTRY.

The Tobacco Trust has absorbed about two hundred and fifty separate concerns and smaller combinations. Nor was it content with this. Since 1899 the combination has secured the control of many concerns for wholesale and retail distribution of tobacco products; of several concerns that produce leaf tobacco in Cuba and Porto Rico; of others which make materials and packages used in manufacturing tobacco; of still others holding patents for the manufacture of tobacco machinery; of others making tobacco machines; and of others that take care of by-products, making smokers' supplies, etc. It has also secured a complete monopoly of the licorice used so extensively in tobacco manufacture.

#### MEN IN CONTROL OF TOBACCO TRUST.

The Tobacco Trust has passed through many forms of corporate duplication and combination. These reached their consummation about the time when the war tax was removed and the war-time package was specifically continued by express words of the law. It is worthy of note that when the war was drawing to its close and farseeing men knew that the war tax would be removed, such men as Ryan, Dolan, Whitney, Brady, Widener, Elkins, and others well known to the world of finance forced their way into the inner councils of the Tobacco Trust. That was done, of course, through the formation of the Union Tobacco Company and its final absorption, after a desperate fight, by the American Tobacco Company. All of this I shall go into later if it becomes necessary.

It is still more worthy of note that when, according to the newspapers, Mr. Thomas F. Ryan last year determined to retire from most of his financial enterprises, he retained as his one favorite enterprise his holdings and active participation in the American Tobacco Company, which is the Tobacco Trust. The men now in control of the American Tobacco Company, the Tobacco Trust, are James B. Duke, Thomas F. Ryan, Oliver H. Payne, I think Anthony N. Brady, and the banking and brokerage firm of Moore & Schley, Whitney, Elkins, and Widener having died.

At a convenient time in the future, if it shall become necessary, I shall present to the Senate the detailed transactions of this mighty organization controlled by these well-known men. It is sufficient for the present moment to say that, to quote a government publication—

"STARTING IN 1890 AS THE AMERICAN TOBACCO COMPANY, A MANUFACTURER OF CIGARETTES, WITH A CAPITAL OF \$25,000,000, TWENTY MILLIONS OF WHICH WAS WATER, THE TOBACCO TRUST HAS NOW A NET CAPITALIZATION (EXCLUDING INTERCOMPANY HOLDINGS) OF \$316,346,821."

It is also well to note at this moment that the larger part of its astonishing growth since the Spanish war closed and the war tax was removed and the war-time short-weight packages were continued would have been very difficult but for that legislation.

#### AMOUNTS TRANSFERRED FROM GOVERNMENT'S TREASURY TO TRUST'S TREASURY.

Approximately, \$20,000,000 of the \$25,939,111.56 revenue, which the Government lost last year by reason of the reduced taxes on those classes of tobacco which the Trust monopolizes, went into the treasury of the Trust.

I want to repeat that approximately \$20,000,000 of the \$25,939,111.56 which the Government lost last year on the classes of tobacco controlled by the Trust went into the treasury of the Trust instead of the Treasury of the Government; and practically the same proportion is true of the \$26,174,383.06 which the Government lost in 1907, the \$24,609,027.82 which the Government lost in 1906, the \$23,073,332.33 which the Government lost in 1905, the \$22,570,239.10 which the Government lost in 1904, the \$21,315,142.95 which the Government lost in 1903, and the \$8,885,736.33 which the Government lost in 1902 on these classes of tobacco controlled by the American Tobacco Company—the Trust.

I want to say that in giving these figures they are not the total amount lost to the Government. I have excluded cigars, because the cigar business is a business that is still independent, and the only tobacco business that is.

So that, Mr. President, approximately \$120,000,000 which the Government would have received since 1901 if the tax had not been removed has gone into the treasury of the Tobacco Trust. It could not have gone any place else. It has been collected

from the people who have been charged the same price for short-weight packages that they were charged before the tax was removed; it has not been paid to the Government since the tax was removed; so that it could have gone no place but into the treasury of the Tobacco Trust.

A small per cent of it, of course, has gone to swell the profits of the few remaining independent manufacturers of tobacco who now exist only because the American Tobacco Company thinks it wise policy to let them exist; but this per cent is very little, as is shown by the statement of the per cent of output which the Trust now controls.

#### ANALYSIS OF AMENDMENT.

Most of these independent companies manufacture chewing (plug and twist), smoking, and fine-cut tobacco; and that they may continue to exist, my amendment does not restore the full war rate of 12 cents per pound, which they probably could not stand; but it increases it only to 9 cents, which they certainly can stand. The present rate is 6 cents per pound; my amendment increases this to 9 cents per pound for this reason, although, as I have shown, more than 80 per cent of this business is done by the Trust. If the Trust had practically all of it, as is true of all other forms of tobacco, except cigars, I should propose in my amendment to restore the war rate of 12 cents a pound, as I have done in other forms of tobacco, except cigars. In the matter of cigars, the Trust, as I have said, controls a small proportion of the output—probably not over one-sixth.

#### CIGARS.

Therefore the amendment does not increase the present tax on cigars worth less than three for a quarter; but on cigars selling at 10 cents straight and three for a quarter it proposes an increase graduated by the selling price of the cigars. Thus on cigars worth at wholesale from \$35 to \$75 a thousand (namely, cigars retailing at three for a quarter or 10 cents straight), it increases the tax from \$3 a thousand to \$4.50 a thousand; upon cigars selling from \$75 to \$110 a thousand (namely, cigars selling from two for a quarter to 15 cents straight), it increases the tax from \$3 to \$6 a thousand; upon cigars worth at wholesale over \$110 a thousand (namely, cigars selling at 20 cents and upward), it increases the tax from \$3 to \$9 a thousand. This would increase the revenue upon the item of high-priced cigars alone by at least \$3,000,000 a year. This estimate is made on the basis of the output of 1908. Can anybody have any possible objection to getting \$3,000,000 more a year from the increased tax upon the high-priced cigars that now pay no more tax than a two-and-a-half-cent cigar?

#### SNUFF.

The amendment proposes to increase the present tax of 6 cents a pound on snuff to 12 cents a pound, which was the tax fixed when the packages were reduced in size. This would increase the revenue \$1,352,865.75.

#### CHEWING, SMOKING, AND FINE CUT.

My amendment increases the present rate of 6 cents a pound on chewing, smoking, and fine-cut tobacco to 9 cents a pound (which is 3 cents less than the war rate), which would increase the revenue \$10,923,281.86. I put the rate at 9 cents because of the few independent concerns that still exist. If it were all monopolized by the Trust I should put it at 12 cents per pound.

#### CIGARETTES.

The present taxation of cigarettes is as absurd as the tax on cigars. All cigarettes worth over \$2 per thousand are now taxed at the rate of \$1.08 per thousand; so that the higher-price cigarette pays the same tax that the cheaper cigarette pays. The amendment therefore proposes to increase the tax on cigarettes selling at wholesale from \$2 to \$4 a thousand (namely, those retailing at 5 cents for a package of 10 cigarettes) from \$1.08 a thousand to \$1.50 a thousand; on cigarettes selling at wholesale from \$4 to \$8 a thousand (namely, retailing at 10 cents for a package of ten), it increases the tax from \$1.08 per thousand to \$3 per thousand; on cigarettes worth at wholesale over \$8 a thousand (namely, retailing at 15 cents and over per package of ten), it increases the tax from \$1.08 per thousand to \$4.50 per thousand. On these types of cigarettes the amendment would increase the revenue \$4,879,346.50.

There is a type of exceedingly cheap cigarettes worth at wholesale under \$2 per thousand (retailing at 5 cents per package of twenty), upon which the present tax is 54 cents per thousand. On this inferior cigarette the war tax was \$1.50 per thousand, and this amendment restores the war tax. Upon this latter type of cigarette, which is made almost exclusively by the Tobacco Trust, the amendment would increase the revenue \$830,679.56.

I pause right here to say that that is the smallest item of revenue in the amendment. Yesterday afternoon we heard



arguments for 25 cents a ton on iron ore because it would bring in \$127,000 revenue a year. Yet this little insignificant item of the most inferior of cheap cigarettes, my amendment, will increase the revenue \$830,679.56.

On cigarettes weighing over 3 pounds per thousand (which are practically cigars) the present tax is \$3 per thousand; the amendment restores the war rate on this type to \$3.60 per thousand, which would increase the revenue \$11,478.89. That does not amount to anything. Thus the total increase of revenue under the present amendment on cigarettes alone would be \$5,721,504.95.

Without increasing the tax on cigars selling for less than 10 cents a piece or three for a quarter, the amendment increases the revenue from all other forms of manufactured tobacco \$21,461,954.62, estimated on the basis of the output of 1908, which you will find in the reports of the Internal-Revenue Commissioner.

#### NO HARDSHIP ON THE TRUST OR ANYBODY ELSE.

Most of this vast amount now goes to the American Tobacco Company instead of to the Government. In view of the fact that since 1901 the Tobacco Trust alone has put into its pockets several scores of millions of dollars which would have gone to

the Government if the tax had not been removed, or remained in the pockets of the people if the short-weight war-time package had not been expressly continued by law, it can not be said that this amendment works any hardship upon the Tobacco Trust. And in view of the fact that the few millions of revenue lost to the Government for the same reasons have gone into the pockets of other tobacco manufacturers, it can not be said that this amendment works a hardship upon them.

#### ANALYSIS OF REVENUES THIS AMENDMENT WILL PRODUCE.

Mr. President, I have worked out with a great deal of care a statement of figures, in parallel columns, which shows the actual revenue raised under the present law on these various forms of tobacco in 1908. Then there is set out the revised rate I have provided for in this amendment; and then set out the revenue on the basis of 1908 output; and then set out the increased revenue on all, which, I say, amounts to \$21,461,954.62; and Senators can see it in the RECORD at a glance. I ask that it be printed as a part of my remarks.

The VICE-PRESIDENT. Without objection it will be printed in the RECORD.

The table referred to is as follows:

PRESENT REVENUE FROM TOBACCO AND ESTIMATED REVENUE AT REDUCED RATES; CALCULATED BY TAX FIXED BY AMENDMENT ON BASIS OF OUTPUT OF 1908 AS SHOWN BY REPORT OF COMMISSIONER OF INTERNAL REVENUE.

	Present rate.	Actual revenue, 1908.	Revised rates.	Revenue on basis of 1908 output.	Increase in revenue.
Chewing (plug and twist), smoking, and fine cut.	6 cents per pound..	\$21,846,563.72	9 cents per pound (war rate, 12 cents) .....	\$32,769,845.58	\$10,923,281.86
Snuff.....	6 cents per pound..	1,352,865.75	12 cents per pound (war rate).....	2,705,731.50	1,352,865.75
Cigarettes:					
Worth over \$2 per thousand .....	\$1.08 per 1,000.....	4,879,346.50	(Worth \$2 to \$4, \$1.50) (Worth \$4 to \$8, \$3.00) estimated .....	9,758,693.00	\$4,879,346.50
Worth under \$2 per thousand.....	54 cents per 1,000..	467,257.25	(Worth over \$8, \$4.50) \$1.50 (war rate) .....	1,297,936.81	\$830,679.56
Weighing over 3 pounds per thousand.....	\$3 per 1,000 .....	57,394.45	\$3.60 (war rate) .....	68,873.34	11,478.89
Total cigarettes .....		5,403,998.20		11,125,503.15	5,721,504.95
Cigars:					
Weighing over 3 pounds per thousand.....	\$3.00 per 1,000.....	20,714,276.35	(Worth up to \$35, \$3.00) (Worth \$35 to \$75, \$4.50) estimated .....	23,714,276.35	\$3,000,000.00
Weighing under 3 pounds per thousand.....	54 cents per 1,000..	545,050.24	(Worth \$75 to \$110, \$6.00) (Worth over \$110, \$9.00) \$1.00 (war rate) .....	1,009,352.30	464,302.06
Total cigars .....		21,259,326.59		24,723,628.65	\$3,464,302.06
Total.....		49,862,754.26		71,324,708.88	21,461,954.62

a Estimated double present revenue.

#### PLUG TOBACCO.

Mr. BEVERIDGE. It may be said that the continuation by law of the short-weight war-time package after the war-time tax had been removed does not affect the plug-tobacco business. That is the matter the Senator from Arkansas [Mr. CLARKE] asked me about. But this is only true in appearance and not in fact. The law fixes the size of the cut that is sold from plug tobacco. But the manufacturer of plug tobacco (and practically all of it is manufactured by the Tobacco Trust) got the war tax upon this article out of the people by selling a smaller cut from the plug; and this practice it still continues. When a box of plug tobacco is sold by the Trust to the retail dealer, there is marked upon each plug a place for the cut.

By decreasing the size of these cuts very slightly, the Tobacco Trust, through the retailer, gets the war-time price for a cut from a plug of tobacco by marking the cut a little smaller. So by taking off from a cut of plug tobacco a single chew of it, the Tobacco Trust was able to collect the tax which the Government placed upon this tobacco and pay it to the Government before the tax was removed; and by selling the same size cut it is still able to collect the tax which the Government has removed, and instead of paying it to the Government it pays it to itself.

#### PRICE FIXED BY CUSTOM; PACKAGES FIXED BY LAW.

It is said that the retail price is not fixed by law; the answer is that it is fixed by custom. Consumers of tobacco get used to paying a fixed price for a package of snuff or tobacco or a cut of plug—5 cents, 10 cents, 15 cents, etc. The size of either could be reduced without any striking difference to the observer. But if the difference did strike the observer at first, it was not long before he became accustomed to it. Thus it is that the Trust has been able to collect the war tax from the people, and instead of paying it to the Government, has paid it to itself; and thus, too, it is that the Tobacco Trust has been able by government aid, which we did not intend to give, to so swell its aston-

ishing profits that it has grown in a few brief years to be the mighty organization it is to-day.

Mr. President, if it should become necessary later on in the discussion, which I hope it will not, because I am as anxious to hurry this bill to a conclusion as anyone else, I will go into this matter more at length and in detail.

Mr. President, I present a resolution for which I ask immediate consideration. The reports that I have relied upon are the reports of the Commissioner of Internal Revenue, the two published reports of the Department of Commerce and Labor referred to in the papers of February 23, and since those reports indicate that that is only a part of what they have, I ask immediate consideration for the resolution I send to the desk, that we may have all the further information.

The VICE-PRESIDENT. The Secretary will report the resolution for which the Senator from Indiana asks immediate consideration.

The Secretary read the resolution (S. Res. 44), as follows:

#### Senate resolution 44.

Resolved, That the President be requested to transmit to the Senate all information collected by the Department of Commerce and Labor affecting the prices of tobacco and the operations of corporations and others dealing in the same.

The VICE-PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none. Without objection, the resolution is agreed to. The Secretary will report the committee amendment to paragraph 116.

Mr. ALDRICH. Perhaps I had better ask that the whole paragraph go over. I thought at first I would ask that the paragraph relating to wrought and scrap iron go over, but perhaps the whole paragraph should go over.

The VICE-PRESIDENT. The Senator from Rhode Island asks that paragraph 116 be passed over.

Mr. ALDRICH. The committee is considering certain amendments in regard to wrought and scrap iron.

Mr. CUMMINS. Mr. President, before the paragraph is passed over, I desire to offer an amendment to the paragraph, so that the committee may consider it.

The VICE-PRESIDENT. The Senator from Iowa offers a substitute for the paragraph, which will be printed and referred to the committee and be passed over with the paragraph. Does the Senator desire to have it read?

Mr. CUMMINS. Let it be printed in the RECORD.

The VICE-PRESIDENT. Without objection, that will be done, and the paragraph will be passed over.

The amendment referred to is as follows:

Substitute offered by Mr. CUMMINS for paragraph 116, H. R. 1438:  
"Iron in pigs, iron kentledge, spiegeleisen, ferromanganese, \$2.50 per ton; wrought and cast scrap iron and scrap steel, 50 cents per ton; but nothing shall be deemed scrap iron or scrap steel except waste or refuse iron or steel and unless it shows upon inspection that it had been advanced in manufacture to the final form for use, and, having been used, had become unfit for further use and is in such physical form as to be fit only to be remanufactured."

The SECRETARY. The next amendment passed over is in paragraph 119. On page 33, line 20, the committee proposes to strike out "whether plain or punched, or fitted for use" and insert "but not assembled or manufactured or advanced beyond hammering, rolling, or casting."

Mr. CUMMINS. Does the RECORD show that paragraphs 117 and 118 have been disposed of?

The VICE-PRESIDENT. They have both been agreed to.

Mr. CUMMINS. Was that under the arrangement that any amendment might be offered to either of them?

The VICE-PRESIDENT. Oh, yes.

Mr. CUMMINS. I should like to ask the Senator from Rhode Island a question with regard to paragraph 117. According to the information of the committee, what is the average cost of turning pig iron, or the process from pig iron, into the articles mentioned in 117?

Mr. ALDRICH. My impression is it is about \$6 a ton. Of course it would depend very largely upon the character of the bar iron. It is sometimes more and sometimes less, depending upon circumstances.

Mr. CUMMINS. I supposed the cost was a little greater than that; but if it be no greater, it seems to me there ought not to be a duty of \$7.24 a ton upon the articles mentioned in 117. We have a duty of \$2.50; we will assume the duty is so, at any rate, upon pig iron. If the cost of turning pig iron into bars is not more than \$6, why should there be an additional duty of substantially \$5 upon that process?

Mr. ALDRICH. The difference in duty is of course \$3.50 a ton. What does the Senator say it costs to make bar iron from pig iron?

Mr. CUMMINS. I asked that question of the Senator.

Mr. ALDRICH. I am asking the Senator from Iowa.

Mr. CUMMINS. The Senator says \$6 a ton. I thought that a little low.

Mr. ALDRICH. The duty is \$3.50 a ton.

Mr. CUMMINS. If it costs only \$6 a ton, then the duty of three-tenths of 1 cent per pound amounts to \$7.24 a ton.

Mr. ALDRICH. The Senator must be mistaken in his arithmetic. Three-tenths of a cent a pound is \$6 a ton, according to my arithmetic.

Mr. CUMMINS. That depends upon whether you take a short ton or a long ton.

Mr. ALDRICH. The short ton is always used in tariff matters. It is \$6 a ton.

Mr. CUMMINS. It is \$7.24 a ton if you take a ton of 2,240 pounds.

Mr. LODGE. A ton in tariff matters always means a short ton.

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. Certainly.

Mr. OLIVER. I can give the Senator information as to part of the difference between manufacturing iron here and abroad. This paragraph refers to puddled iron, which is made now only as a specialty. In all the vast works of the United States Steel Corporation there is not one where a ton of puddled iron is made. Puddled iron is made by individual manufacturers here and there, and it is used for special purposes, very largely for making pipes used by plumbers. Puddled iron is not subject to the same degree of action by acids and water as steel. In England the wages for puddlers in the Northumberland district is \$2.25 a ton; in the west of Scotland, \$2.43 a ton; in the Midlands, \$2.31 a ton.

The universal rate of wages in this country is \$6.50 to \$6.62½ a ton. That refers to puddling alone. There is a difference of, say, 66½ per cent that we pay out in labor to the puddlers.

When you come to consider that a puddler is only one man of the many connected with the manufacture of this material, you can readily see, as I firmly believe, that in labor alone we will swallow up the entire amount of this duty in the difference in cost between here and abroad.

Mr. CUMMINS. I do not believe that anyone who reads the testimony given before the House committee will get the impression that it costs twice as much or more to convert ore or pig iron into the finished form in this country as it does abroad. If the cost of converting this particular commodity is but \$6 a ton, it does not seem to me possible that we need a duty of \$3.50 a ton upon it. I am now excluding the \$2.50 a ton upon pig iron.

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield further to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. OLIVER. The difference in cost is not \$6.50 a ton. The difference in the labor of one man alone is \$4.25 per ton. He is only one man.

Take pig iron and make bar iron out of it, and it requires, first, the work at the puddling furnace, which is very hard and very severe work. It is taken from the puddling furnace and put through what is called the "muck rolls." That is one process. The muck bar is then allowed to cool. It is cut into small pieces, which are bundled together and put into the heating furnace, put through another process of heating, then rolled; so that we have not only the puddler to pay, but the muck rollers, the heaters, the rollers in the bar mill, and an army of men.

You must consider that this is not done in these great mills. It is done in the old-fashioned bar mills. The product is small and the margin is very, very light.

I am advised by the manufacturers, who still continue to make this specialty, that the duty proposed here is entirely too low, and I think the Senator from Iowa is speaking without knowledge upon the subject or he would not make this effort at a decrease upon this very reasonable provision.

Mr. CUMMINS. I have not very much knowledge with regard to the cost of turning pig iron into these bars, and it was for that reason that I asked the question of the Senator from Rhode Island, and the answer is—and the Senator from Pennsylvania has not disputed it—\$6 per ton, or substantially that. If we start into this iron schedule upon the hypothesis that it costs twice as much to produce steel in America as it costs abroad, we will reach before we have finished some very strange conclusions.

Mr. PENROSE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. PENROSE. I should like to call the attention of the Senator from Iowa to the fact that this is a cut of 50 per cent on the Dingley rates.

Mr. CUMMINS. I observe that, and I have not proposed to offer any amendment to it, but I did not want the paragraph to be passed without some understanding with regard to the general view adopted by the committee; whether it was intended that upon all these products we should place a duty based upon the hypothesis that it costs twice as much to produce steel in the United States as it costs abroad. I can not yield to that hypothesis, if it is intended to be carried through the entire schedule.

I have no amendment to offer at this time to this particular paragraph.

Mr. ALDRICH. The Finance Committee has advanced no such proposition as that it costs twice as much to produce steel in the United States as abroad.

Mr. CUMMINS. I did not understand that it had.

Mr. ALDRICH. No.

Mr. CUMMINS. But, in answer to my question, I was informed that the cost in America of this particular work was \$6 a ton, and you are putting a duty upon this particular work of \$3.50 a ton. That means evidently that it costs twice as much here as abroad.

Mr. ALDRICH. No. I want to call the attention of the Senate to the fact that in 1883 the duties upon the items contained in this paragraph were 1.1 cents; in 1890 it was 1 cent; in 1894, under the Wilson-Gorman bill, it was six-tenths of a cent; in 1897 it was made six-tenths of a cent; and it is now reduced by this paragraph to three-tenths of a cent.

Mr. CUMMINS. I have observed that history, and I am very much gratified with the reduction, although I believe the reduction is not yet what it should be. However, I have not, as I said, proposed any amendment to this paragraph.

Mr. President, I do offer an amendment to paragraph 118.



Mr. ALDRICH. I ask that this paragraph be adopted. The VICE-PRESIDENT. The paragraph has once been read. The Senator from Iowa now offers an amendment to the paragraph.

Mr. ALDRICH. It is to paragraph 118, as I understand.

The VICE-PRESIDENT. To 118.

Mr. KEAN. Let us agree to 117.

Mr. ALDRICH. I ask that paragraph 117 be agreed to as amended.

The VICE-PRESIDENT. Without objection, paragraph 117 is agreed to.

Mr. KEAN and Mr. LODGE. As amended.

The VICE-PRESIDENT. The Secretary will state the amendment proposed by the Senator from Iowa.

The SECRETARY. On page 33, paragraph 118, in line 7, strike out the word "six-tenths" and insert instead "five-tenths;" in line 11, strike out the word "four-tenths" and insert in lieu "three-tenths."

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Iowa.

Mr. PENROSE. Mr. President, I hope the amendment will not be agreed to. The reduction in the House bill is from eight-tenths to six-tenths under the Dingley rate, a very substantial reduction. All these articles in the metal schedule are going down nearly to the point when the iron and steel industries will be extinguished if persisted in in further downward revision. I sincerely hope the amendment will not be agreed to.

Mr. CUMMINS. Mr. President, I do not intend to consume the time of the Senate in any considerable discussion of this amendment or the others which will follow. I attempted at a former time to show that, in so far as one particular manufacture of this product is concerned, it needs no protection whatsoever.

I believe that I demonstrated as clearly as any proposition can be proven that the United States Steel Corporation is making its product as cheaply as it is made anywhere in the civilized world. I was told, and I agreed to that, although my judgment was not wholly convinced, that in order to preserve certain so-called "independent manufactories" it was still necessary to impose some duty upon these products; but when it is proposed to impose upon a product of this sort a duty of \$12 per ton in the one case and of \$8 a ton in the other, it seems to me that we are forgetting the rule under which these duties ought to be imposed.

Is there any Senator here who believes that it costs in this country, to make round iron in coils and rods and other such iron as is here specified, \$12 a ton more than it costs abroad? I have not the figures before me, but I assert with a great deal of confidence that the difference between the market price of this iron abroad and at home is less than \$12 per ton. We need no such duty in order to stimulate and protect our own manufactures, and if we intend to reduce these duties at all, so that in the operation of the ordinary courses of trade the consumer or the buyer is to have a benefit, then we must reduce them below the point named by the Finance Committee.

It is for this reason, because I believe that a duty in the one case of \$10 a ton will be more than ample, and in the other a duty of \$6 a ton will be more than sufficient, that I have offered these amendments.

Mr. ALDRICH. Mr. President, in 1890 the duty upon round iron in coils and rods was 1.1 cents; in 1894, by the Wilson-Gorman law, it was eight-tenths of a cent; in 1897 it was eight-tenths of a cent. The House reduced the duty to six-tenths of a cent, and the Senator from Iowa, without any statement of the necessity for it or the reasons, so far as I have heard him, proposes still further to reduce it to five-tenths of a cent. I think the Senate should stand by the action of the House committee.

Mr. LODGE. If I may call attention to it, I will state the ad valorem rate under the bill on what is covered in this paragraph. On the first item it is 10.75 per cent, on the next it is 9.15 per cent, and on the next it is 19.17 per cent. Those are very low ad valorem rates. They certainly extend hardly beyond a fair revenue duty.

Mr. BURKETT. Mr. President, I wish to ask the Senator a question. As I said once before, I am not so much concerned about how much you reduce the duties; I would rather have some information as to whether the \$12 a ton in line 7 is necessary. I have tried to go through the hearings in the House. Every witness, apparently, said there was not much need for protection on the manufactures of iron. I read through the couple hundred pages of Mr. Carnegie's evidence; I have read through Mr. Gary's statements, and all of them, and they have

all testified, so far as I can find out, that there is not any particular need of this duty.

I understand, of course, that there ought to be on all of these manufactured products some protection to keep a foreign country from unloading on us their surplus stock at some time, from which we would get no revenue, and thus injure our industries, but \$12 a ton for this particular product seems to me pretty high, in view of the evidence contained in the two volumes of the House hearings that there is not any particular use for any tariff on the manufactures of iron.

So I submit to the chairman of the committee that what I would rather have is some explanation as to why this duty is needed, rather than simply a statement that it is a reduction of two-tenths from what it has been for the last twenty years. I should like to ask the Senator from Rhode Island if there is any evidence or any statement showing that it is needed. I am asking in good faith, because if anybody has shown anywhere any evidence that there is need for this much duty, I should not want to reduce it; but if there is not anybody along the line anywhere who has suggested that there is a need of this rate, it seems to me that we ought to reduce it.

Mr. ALDRICH. I am not sure but that if the real facts in this case were thoroughly understood, the Senate committee rate ought to be increased. The importations of the articles covered by this paragraph amount to about a million and a half dollars, and the revenue collected in 1907 was about \$450,000. The average ad valorem rate, as has already been stated, is only from 9 to 19 per cent. I am inclined to think that we have probably cut too far in the proposition which is now before the Senate. I think if we are going to change the Senate committee rate at all, it ought to be upward instead of downward.

Mr. CRAWFORD. Mr. President—

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from South Dakota?

Mr. CUMMINS. Certainly.

Mr. CRAWFORD. I simply rise for some information. I will say that where the House made a reduction and the Senate committee has left it alone, or reduced it, I have not felt disposed to interfere; but where the House has made a reduction and the Senate committee has increased it, I have felt that we were entitled to have an explanation. With reference to this item, if the Senator from Iowa will permit me, I do not quite understand the statement of the Senator from Rhode Island. This is paragraph 118, is it not?

The VICE-PRESIDENT. It is.

Mr. CRAWFORD. In the statement here under Schedule C, at paragraph 118, under the name of "bars or shapes of rolled or hammered iron and round iron, in coils or rods, less than seven-sixteenths of 1 inch in diameter," the revenue from imports, according to these figures, was only \$1,031,26, which is certainly a very small amount indeed; and on the second item, "slabs, blooms, loops, or other forms less than iron in bars and more advanced than pig, except castings," the revenue was only \$124.62 according to this statement. That was practically no importation at all.

Mr. ALDRICH. But if the Senator will look at No. 2629—I do not know what it is called—

Mr. LODGE. "Bars, blooms, billets, and slabs" are the last bracket.

Mr. ALDRICH. Bars, blooms, billets, slabs, or loops.

Mr. LODGE. It is all a part of the same paragraph.

Mr. ALDRICH. It is all a part of the same paragraph.

Mr. CRAWFORD. But they are different items.

The VICE-PRESIDENT. Does the Senator from Iowa yield further?

Mr. CRAWFORD. I simply want to get that information.

Mr. CUMMINS. I had the matter before me and was about to explain that while it is all in the same paragraph I think the Finance Committee will, on reflection, see that I have offered no amendment to that part of the paragraph under which there have been any importations at all. As to the two parts of the paragraph to which I have offered each an amendment, you will find, upon examining the statement mentioned by the Senator from South Dakota, that upon the first there has been and was an importation of 128,908 pounds, a negligible quantity, and the duty paid upon that was \$1,031.26; but upon the second part of the paragraph to which I have offered an amendment the importations were 24,594 pounds this year and the duty was \$124.62. So the duties as they have been heretofore have been prohibitory. There have been no importations whatever, or, at least, so nearly none that they need not be considered here.

I agree now that with respect to the charcoal iron, which is referred to in the last part of the paragraph, there have been importations, and noticing that fact and being desirous of

keeping our own market for our own people, I have made no suggestion of an amendment. But the Finance Committee has not said, and I am sure that it will not say, that it believes there is a difference of \$12 a ton in the first part of the paragraph or of \$8 a ton in the second part of the paragraph between the cost of producing those commodities here and abroad.

I know—that is, if I may make my inferences from the testimony which has been submitted to the House committee and is now submitted to the Senate—that with respect to one company, it can produce these things as cheaply as they can be produced anywhere, and that \$10 a ton and \$6 a ton, respectively, will amply protect those independent manufacturers, of whom it is said, although not with entire certainty, that it costs more for their production than it costs the larger companies.

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. Certainly.

Mr. OLIVER. Mr. President, the Senator from Iowa perhaps may have forgotten the statement which I made a few minutes ago. I stated that iron is no longer made either by the United States Steel Corporation or by any other of the great corporations which are engaged in the manufacture of steel. Their business is confined entirely to steel and steel products. This iron business, as distinguished from steel, is conducted by, I suppose, 100 small manufacturers from New England clear to the Pacific coast. Although the Senator from Iowa does not represent what is called a "manufacturing State," I have no doubt there are some mills in Iowa. It is beyond possibility for them to think of combining or forming themselves into a trust. This effort to reduce the duty upon their products will simply result, if successful, in driving the very class of men out of business whom the Senator appears to be so solicitous to continue in business. Iron is no longer made by the large corporations. They make steel alone. This paragraph refers to iron alone.

Mr. LODGE. Mr. President—

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from Massachusetts?

Mr. CUMMINS. Certainly.

Mr. LODGE. The Senator keeps reiterating that \$12 a ton is such an enormous difference. I find that under the first bracket of this paragraph the import value indicated a material worth over \$100 a ton and the equivalent ad valorem indicate the value of the product at from \$100 to \$120 a ton. A difference of \$12 a ton in the cost of manufacture is not large on that basis.

Mr. CUMMINS. I hope the Senator from Massachusetts will pursue that investigation a little further, because it will open up a very interesting field. I assume that he would not suggest to the Senate that the American price for this product is \$100 a ton.

Mr. LODGE. I was taking what I assumed to be that on which the whole of the Senator's argument must rest, that the foreign product is much cheaper. I took the import value of the foreign product, which, as nearly as I can figure it on the official figures, is about \$100 a ton.

Mr. CUMMINS. The Senator from Massachusetts was quite right in his mathematics, but it is true of this paragraph precisely as it was true of the glass paragraph. The iron that has been imported under this paragraph is not made in the United States at all. The quantity of iron that comes in is little; but what comes in is not made, as I am advised, in the country at all, and the ordinary American price for the round iron is much less than \$100 a ton. Possibly the Senator from Pennsylvania will correct me if I am wrong in that respect.

Mr. OLIVER. I was not attending to the Senator's remark.

Mr. CUMMINS. Then I will not pursue it.

It makes no difference whether the ad valorem duty is 10 per cent or 20 per cent; what we are trying to do is to protect the American manufacturers. We are trying to protect our own workshops. We have found that under the duty imposed in the Dingley law there were no importations. Therefore it goes without saying that our manufacturers do not need the quantity of duty imposed by the law of 1897. Now, how much do they need? The Finance Committee, apparently without any basis for comparisons so far as appears here, has reduced the duty, or it has accepted the House reduction of the duty, to six-tenths of a cent. But is six-tenths of a cent the right duty?

Mr. ALDRICH. Will the Senator from Iowa be kind enough to enlighten the Senate as to why the rate should be five-tenths of a cent?

Mr. CUMMINS. Yes, sir; I will enlighten the Senator with regard to five-tenths of a cent, although the Senate possibly has

a better right to look to the Finance Committee for information than to me. The Finance Committee is organized for the purpose of giving us information upon these subjects. But I can answer why, I think, five-tenths of a cent is quite high enough.

The general testimony delivered before the Ways and Means Committee of the House indicates that we could produce these forms of iron and steel in the United States at substantially the cost for which they can be produced abroad. As I said before, if it were not for the protection of the small manufacturers named by the Senator from Pennsylvania, I do not think you ought to put any duty upon it unless it were a revenue duty, and there is no revenue from it. I predict that the amendment I have offered will no more admit foreign manufactures to our markets than the duty in the Dingley law. It will not produce any revenue in either case, but it will protect. If you reduce the duty to five-tenths, it will at least do that much more toward protecting the American consumer against any combination or trust that will prevent and interrupt the ordinary laws of trade. Therefore I propose five-tenths of a cent instead of six-tenths of a cent, and I frankly say I think that is higher than is necessary for a protective duty.

Mr. CARTER. Mr. President, I should like to ascertain from either the Senator from Iowa or the chairman of the committee the extent to which this duty is compensatory. We have a protective duty on the material of which this class of iron is made of \$2.50 per ton. First, what amount of pig iron on which a duty of \$2.50 per ton is placed is required to make a ton of this finished product, and to what extent did the Senate committee compute the compensatory duty in fixing the duty here named at six-tenths of 1 cent per pound?

Mr. PENROSE. If the chairman of the committee will permit me, I will inform the Senator from Montana that, in the opinion of the producers of the products of iron and steel, none of these duties are adequately compensatory for the duty imposed on iron ore and on scrap iron.

Mr. CARTER. The discussion, as I understood it, was proceeding between the Senator from Pennsylvania and the Senator from Iowa and the chairman of the committee upon the theory that six-tenths of 1 cent per pound was based purely upon the difference in the cost of labor here and abroad in the production of the kind of iron named in paragraph 118. According to my understanding, all of these items are correlated. When a duty is placed upon the basic material, for protective or for any other purpose, necessarily that duty must be offset by a compensatory duty on the product of the basic material.

Mr. ALDRICH. That is true. The duties in this schedule run from the duties on iron ore and pig iron up to the finished product—say, a watch spring. That pound of iron ore made into watch springs is worth several hundred dollars a pound. In this particular case we have a duty of \$2.50 on pig iron, and then we have a duty—

Mr. CARTER. Primarily we have a duty of 25 cents per ton on ore.

Mr. LODGE. If the Senator will allow me a word, I will state that the House duties were based throughout on free iron ore, and we have not altered their arrangement, but have left their reduction, which proceeded on the basis of free iron ore. So we have put all their reductions lower than they were before, by our action.

Mr. CARTER. No allowance being made for any compensatory duty on iron ore at all.

Mr. ALDRICH. We have first the duty on iron ore, and then the duty on pig iron of \$2.50 a ton. Then we have, by the paragraph just agreed to, a duty of three-tenths of a cent a pound on round iron not less than seven-tenths of an inch in diameter. Then we have, by this paragraph, a provision of six-tenths of a cent a pound on iron less than seven-sixteenths—that is, iron rods that have to be taken from the round wire and drawn through rollers, at a great expense, into the fine rods that are provided for in this paragraph at six-tenths of a cent—showing a progression from iron ore and pig iron to round iron, and to iron in rods, round iron in coils and rods less than seven-tenths of an inch in diameter, thus making a progressive duty which is supposed to equalize the difference in the cost of production of these various articles here and abroad.

Now, one other word right there. The articles provided for in this paragraph are expensive articles. They are imported, when imported, from Sweden. They are made of charcoal iron by the old-fashioned process. As the Senator from Pennsylvania [Mr. OLIVER] says, there is nobody in this country interested in the manufactures of steel who is interested in these wire rods or iron wire—the drawn wires that are covered by this paragraph.

The Senator talks about \$12 a ton and \$10 a ton. As long ago as 1883 we imposed a duty of \$24 a ton on all articles made



from iron in the production of which charcoal is used. Michigan was then a large producer, and I imagine she is to-day to a considerable extent, of charcoal iron. It is a very expensive article to make. It is only used for particular purposes, and it seems to me to ruthlessly—I was about to say ignorantly—strike down these duties is certainly not the part of wisdom on the part of the Senate.

Mr. CARTER. I did not understand from any part of the discussion that it was the intention of the Senator from Iowa to cut below a protective standard. I believe, in the light of the explanation of the chairman of the committee, which comports with the general judgment, I think, of the Senate in reference to the rules which obtain in this matter of levying duties, there would be, of the \$12 per ton allowed by paragraph 118 as a duty, a deduction of \$2.50 per ton compensatory duty on the material out of which this wire is made.

Mr. ALDRICH. Six dollars a ton under the paragraph. Paragraph 117 imposes a duty of \$6 on the raw material from which these articles must be made.

Mr. CARTER. That leaves but \$6 a ton as a duty to protect the labor employed in the manufacture of these articles.

Mr. ALDRICH. That is all, on a very expensive article.

Mr. CRAWFORD. Mr. President, I wish to ask a question. I am not asking the question in the attitude of opposition to what has been done, but I have not understood what the explanation is of the fact that there was practically no importation of the first two items in the paragraph.

Mr. ALDRICH. It is because the American producers have the American market at the old rate; that is, on those two particular clauses of the paragraph. On the last, they have not.

Mr. CRAWFORD. Does the chairman of the Committee on Finance think that this reduction will take the market away or bring in any additional importations?

Mr. ALDRICH. I think it is quite likely it would. It is impossible, of course, for anybody to say definitely.

Mr. CRAWFORD. According to the estimates of the committee, the importations under it are very small indeed.

Mr. ALDRICH. I understand that.

Mr. CRAWFORD. Ninety-nine dollars is what you received from one of the items, and \$773 from another, under the new schedule.

Mr. NEWLANDS obtained the floor.

Mr. CARTER. Mr. President—

The PRESIDING OFFICER (Mr. FILES in the chair). Does the Senator from Nevada yield to the Senator from Montana?

Mr. NEWLANDS. Certainly.

Mr. CARTER. In connection with the subject being discussed, I should like to make just one additional observation. I understand, then, in a progressive way, taking paragraph 116 with \$2.50 per ton on pig iron, we approach paragraph 117, which levies a duty of \$6 a ton, a half of that amount being compensatory duty arising from the duty fixed by paragraph 116, and, in turn, the combined duty, compensatory and protective, provided by paragraph 117, must be deducted from the duty prescribed in 118, in order to determine the amount of protective duty provided for the difference in labor cost in the manufacture of the article.

Mr. TILLMAN. Does the Senator make no allowance for the fact that this iron ore is not imported? We have got hundreds of millions and billions of tons. What is the use to undertake to subtract the cost of the duty on iron ore from this product?

Mr. CARTER. There is no computation in this calculation of duty on iron ore, as I understand it. It is the duty on pig iron.

Mr. TILLMAN. I know, but the Senator is speaking of a duty on iron ore of \$2.50 a ton.

Mr. LODGE. No; that is the duty on pig iron.

Mr. CARTER. It is the duty on pig iron, scrap, and so forth.

Mr. NEWLANDS. Mr. President, I wish to make an inquiry of the chairman of the committee. There is one thing I can not understand. The value of these forms of ore is placed by the Senator from Massachusetts at \$100 a ton, very much in excess of the value of steel rails and of structural steel. It is hard for me to realize that any form of iron could be worth so much.

Mr. KEAN. I will state to the Senator from Nevada that iron pipe and iron sheets are more expensive than are steel sheets and steel pipe.

Mr. ALDRICH. If the Senator will look at the last clause in this paragraph in relation to billets, bars, and so forth, in the manufacture of which charcoal is used, he will find that the unit value on large importations was over \$40 a ton, which is, of course, vastly in excess of the duty upon steel of a corresponding character.

Mr. NEWLANDS. Mr. President, that must be so. I am told by the Senator from Pennsylvania [Mr. OLIVER] that the

value is largely in excess of that of the forms of steel to which I have referred. I am not, of course, familiar with these forms of production, but it struck me as very disproportionate.

Mr. BRIGGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. NEWLANDS. I do.

Mr. BRIGGS. Mr. President, I wish to say to the Senator from Nevada that the production of steel is in great quantities at large furnaces, where an immense tonnage is at once turned out, while the production of iron is in small furnaces. There is a great deal more labor in it. I imagine that the iron referred to there is the high-class Swedish iron for special forgings that the low-carbon mild steel can not be used for. I think that is undoubtedly the reason for the high prices.

Mr. NEWLANDS. I observe that this paragraph covers three forms of iron, and that, of these three forms, the first two in the paragraph are not productive of revenue, the revenue being nearly nominal, about \$1,000 per annum in one case and \$124 per annum in the other. It seems to me that that is very conclusive proof that the duty itself, low as it is, of about 10 per cent, is practically prohibitive of importations. It is, therefore, too high to cover the policy of protection mapped out by the Republican party in its platform and is also too high to produce revenue. For that reason, I shall join with the Senator from Iowa in an endeavor to lower these two duties.

As to the third duty, it is productive of a very large amount of revenue—nearly a half million dollars—and I observe that the committee has reduced the duty fixed by the House about 20 per cent, I believe. It seems to me that that duty, even as established by the House, is a fairly revenue duty, and might perhaps have been left undisturbed; but as to the first two duties, it seems to me they are prohibitory and excessive.

Mr. BACON. Mr. President, I should like to ask the Senator from Pennsylvania [Mr. OLIVER], as a matter of information about which I need some instruction or light, a question. I understood the Senator from Pennsylvania to say that the United States Steel Company is not engaged in the production of iron.

Mr. OLIVER. Not to the extent of one ton.

Mr. BACON. That is the point which struck me and produced the inquiry upon my part.

Mr. OLIVER. I mean iron as explained here.

Mr. BACON. The Senator means this particular shape of iron?

Mr. OLIVER. They make plenty of pig iron, of course, I will say to the Senator.

Mr. BACON. That is what I referred to.

Mr. OLIVER. But they do not make and put on the market any iron article as iron is understood in these days. Their product is confined entirely to steel—Bessemer steel and open-hearth steel—made in great girders and pieces, and in which machinery is the principal element, whereas in puddling iron, man is the principal element.

Mr. BACON. Mr. President, I misunderstood the Senator from Pennsylvania. I thought, from what the Senator said, that he meant to be understood that the Steel Company did not engage in the production of iron in its generic sense—in other words, that they did not make pig iron, or did not from pig iron make the high class of iron.

Mr. OLIVER. Pig iron is the basis of steel.

Mr. BACON. Of course. The Senator, then, does not mean to be understood to the effect that they do not make the pig iron from which they make the steel?

Mr. OLIVER. Oh, no.

Mr. BACON. They make the steel from the pig iron.

Mr. President, in connection with the suggestion of the Senator from South Carolina [Mr. TILLMAN], responding to the proposition of the Senator from Montana [Mr. CARTER], as to the compensatory duty, suggesting that the duty imposed upon iron should be taken from that which should be chargeable properly to steel, the Senator from South Carolina inquired if Senators did not know the fact that the Steel Company procured all their ore in this country. The Senator from Montana then replied that he was not speaking of a compensatory duty as regards the ore, but that he was speaking of a compensatory duty as it related to iron, when the further suggestion was made by the Senator from South Carolina that, of course, pig iron was the product of ore, practically the same thing. I merely want to call attention to the fact that the Statistical Abstract shows that the production of pig iron in the United States for the year 1907 was 25,781,361 tons. It is practically true that those engaged in the steel manufacture produce their own iron, and, so far as the market quotations of iron are concerned, that is really not the expense to which they are subjected in the pro-

curement of the materials out of which they make the steel. The expense to them is not the market price of iron; but the expense to them is the cost of production, for they have the iron mines from which they dig iron ore, and from the iron ore they themselves produce the pig iron, and from the pig iron they themselves manufacture their steel. So the question is not in any manner, it seems to me, concerned with that of the rate of duty on pig iron, because they do not have it to buy and are not interested in that part of that expense. Their expense, in the procurement of iron from which they make the steel, is measured by the actual cost of digging the ore from the ground and converting it into steel. Their actual investment in the ore beds must also be considered.

Mr. CARTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Montana?

Mr. BACON. I do.

Mr. CARTER. Mr. President, it is, of course, conceded that the companies mining the iron ore within the United States and manufacturing the pig iron here do not pay the duty to the Government; but the whole theory upon which the bill is framed is that they pay to the laborer employed the amount of these duties in excess of what their competitors pay for like services abroad.

Mr. BACON. Mr. President, if I can lay my hands on it before this discussion is concluded, I am going to read to the Senate a little about the labor employed by the manufacturers of steel and the wages they pay them. I have not it with me here to-day.

I think, Mr. President, that this steel schedule should be very materially reduced all along the line. I do not think that what was true fifteen years ago as to proper rates of duty can be conceded here to-day as a conclusive argument as to what the rates should be to-day. There have been great developments since then and great progress in methods and appliances, to all of which the public is entitled to the benefit in cheapening production as well as the manufacturer.

Mr. President, even as far back as ten years ago we had a very high authority for the contention, which was recently made by Mr. Carnegie before the Ways and Means Committee, that there was not required any duty at all, practically. Of course the matter to which I am now about to refer did not have relation to the question of duty, but it did have relation to the question of the cost of production—to the question of the relative cost of production in this country and in other countries. The question of the cost of labor is not always a criterion; but it is the cost of production, not simply the cost of labor. There may be different capacities in labor for production; there may be advantages of different kinds which, while there may be great differences in the cost of labor, make the cost of production itself not correspondingly great.

I do not know whether there has been read in this debate—because frequently we are called out in the Marble Room and elsewhere, and do not hear everything that is said—a very celebrated letter written by Mr. Schwab in 1899, ten years ago. I am told by the Senator from Texas, who sits on my left, that the Senator from South Dakota [Mr. CRAWFORD] has read it, and therefore I shall not read it now.

Mr. CRAWFORD. I incorporated it in my remarks.

Mr. BACON. I shall not, therefore, burden the Record with the repetition of it. I have myself read it once before in the Senate in a former debate. I well know the contention of those who insist that there should be a high rate of duty on steel, that the estimate of Mr. Schwab, in this letter of 1899, was based upon the cost of pig iron, which can not be relied upon as the basis of an estimate; that the cost of pig iron is very much greater than that stated in that letter. I will say, however, before alluding to that, that we had a discussion of that matter here in 1904, in which I read this very letter, and in which reply was made by the honorable Senator from Rhode Island [Mr. ALDRICH] to the statements made in Mr. Schwab's letter that his estimate was probably reliable if the cost of pig iron was always such as he stated it, but that it was unreliable if the value of pig iron had changed, which the Senator then alleged that it had.

But we are met face to face, when that condition is presented, with the fact, to which I have already alluded, that the cost of pig iron to the steel manufacturers of the United States is not the market price, but it is the cost to them of production, because they themselves own the ore beds, dig the ore, and make the pig iron, and from the pig iron make the steel. That being the case, of course the thing upon which the estimate is to be based is not the market price, but the cost of pig iron to the producer. The steel company can make the market quota-

tions of pig iron what it pleases and thus apparently advance the cost to themselves of making steel.

In this letter of Mr. Schwab—which I shall not again read, because it has so recently been read to the Senate by the Senator from South Dakota—Mr. Schwab, whom I recognize as one of the leading authorities in the United States upon the subject of the cost of the production of steel and of the manufacture of steel, in the most emphatic manner, not in one sentence but in successive sentences, in which the matter is argued and the reason for his contention set forth, asserts most positively that even ten years ago, when the steel company did not have the opportunity for cheap production that it has now, steel could be made in this country and sold in England cheaper than it could be made and sold in England. That was Mr. Schwab's contention, that in America—

Mr. OLIVER. Mr. President, will the Senator yield to me?

Mr. BACON. I will in a moment. Mr. Schwab contended that in America it was competent for the Steel Company, of which Mr. Schwab was then a very high and influential officer, to themselves not only make steel cheaper than England could make it and sell it in the United States, but that they could make steel cheaper in America, send it to England, and sell it in England cheaper than the Englishmen could make it and sell it in their own market.

Now, I yield to the Senator from Pennsylvania.

Mr. OLIVER. I should like to ask the Senator from Georgia if he has received any information concerning the relative cost of steel—of course we are not talking about steel now; we are talking about iron—the relative cost of producing steel ten years ago and producing it now?

Mr. BACON. No, Mr. President; and I do not think that is material. I suppose the Senator means the market price.

Mr. OLIVER. Not at all.

Mr. BACON. To what does the Senator refer?

Mr. OLIVER. I mean the cost of production.

Mr. BACON. Well, Mr. President, if the Steel Company had to buy its iron, of course the suggestion of the Senator from Pennsylvania would be a most material one; but the Steel Company does not have to buy its iron.

Mr. OLIVER. I leave that entirely out of consideration.

Mr. BACON. Well, I do not think it can be left out of consideration. I think it is a most important fact.

Mr. OLIVER. Consider it or not, just as you please; but the cost of the manufacture of steel to-day is very much more than it was ten years ago. There are a number of elements entering into the matter, which are very ably set forth in the testimony of Mr. Schwab before the Ways and Means Committee of the House, in which he gives a very thorough explanation of the circumstances under which he wrote that famous letter, and distinctly and in terms repudiates it, and attributes it to his youthful exuberance. Those who know Mr. Schwab will know he has a great deal of it.

Mr. BACON. I think it is rather to be attributed to the fact that that letter was written to Mr. Frick and not intended for the public, and what he is saying in explanation of it is intended for the public. That letter was written, Mr. President, not with reference to what interest the public would have in this product, but it was written in the confidence of the intercourse between those interested in the same subject; it was rather a self-congratulatory communication, where there would be no possible inducement to misrepresent. Of course Mr. Schwab is now interested in having a different construction put upon the letter. Mr. Schwab may have been at that time a comparatively young man and may have been exuberant, but he was none the less recognized as one of the authorities in the United States on the subject of steel products, to such an extent that the great king of the iron and steel industry in the United States had selected him of all men to take charge of his magnificent and stupendous business, having every confidence in his ability, in his judgment, and in his knowledge, having seen him grow up from a young man, in a very subordinate capacity, to a position where he thought he could thus put him in charge of all those great interests.

Mr. TILLMAN. I was just going to call the Senator's attention to the fact—he is familiar with it, of course—that Mr. Schwab, in this very letter, says that after serving as superintendent for ten years and as president for two, he feels able to speak.

Mr. BACON. Of course. Mr. Schwab can not now shelter himself behind the claim that he was at that time inexperienced.

Mr. President, of course there are other Senators here who are very much more familiar with the steel industry and with iron products than I am, but I do think that there is nothing



which the Senate ought to consider with more care than the question as to whether or not steel and all the vast products made from it can be cheapened to the American people. There is no product, not even the one of lead, about which we were talking here the other day—in fact, not nearly so much in the case of lead—that so certainly and necessarily enters into every household, and into every department of every household, and into every department of business of a material or industrial character, as that which is connected with the iron and steel industry. Therefore I do hope that we will, Mr. President, see to it that, so far as it can be done with justice and propriety, these rates are lowered.

There is a tremendous protection to the iron and steel industry in the mere matter of transportation. I will say very frankly that I am not in favor of putting articles on the free list, as a general rule, from which any revenue can be derived; but because of its natural advantages in the United States and in the great protection which it has in the mere matter of transportation charges, I am so satisfied that the steel trust can maintain itself, certainly as to all the larger and heavier products, as against any foreign competition that I do not believe any revenue would come if we had a low rate of duty put upon steel products. Therefore I am ready—I will not say as to the minor and smaller manufactures, but as to the larger and heavier articles of iron manufacture—to vote to put them on the free list—iron rails, for instance. I do not believe that if iron rails were on the free list we would get any revenue from them, because of the increased advantages of production in this country and of the cost of transportation.

Mr. LODGE. Do I understand the Senator to say if iron rails were on the free list we should not get any revenue from them?

Mr. BACON. I did not mean that, of course.

Mr. LODGE. I agree with the Senator.

Mr. BACON. Of course, if I said that, I suppose Senators would naturally recognize—

Mr. TILLMAN. You meant there would not be any importation of them.

Mr. BACON. Yes. Senators would naturally recognize that that was a slip of the tongue.

Mr. LODGE. I so recognize it.

Mr. BACON. I am very much obliged to my learned and distinguished and honorable friend from Massachusetts for calling my attention to it, because whenever I make a slip in rhetoric or grammar or definition, I bow and yield to him with a confidence in which I am utterly lacking when it comes to a question of political science. [Laughter.]

The Senator from South Carolina [Mr. TILLMAN] has suggested that what I intended to say was that if iron rails were on the free list there would be no importations, and if a low rate of duty were imposed, I do not believe there would be any revenue. For that reason, I will be perfectly willing to vote to put steel rails upon the free list.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. BACON. Certainly.

Mr. SMOOT. Do I understand the Senator to say that steel rails can be manufactured in this country as cheaply as in Germany?

Mr. BACON. Mr. President, I do not claim to be an expert in the matter. When I find a very great authority giving me information, I will generally leave the subject to him, and not myself go into details and inquire whether or not he is correct.

Mr. SMOOT. Mr. President—

Mr. BACON. The Senator will pardon me. He asked a question and he must wait and get the reply. When I have so high and distinguished and reliable authority as Mr. Schwab, who tells me in this letter that the steel industry of the United States has such advantages in the great wealth of raw materials and other things which he takes into consideration that the steel makers of the United States can make rails in the United States and ship them to England and sell them in England for less than the English manufacturer can himself make them and sell them in England, I am ready to stop at that, unless the Senator from Utah or others can show me that Mr. Schwab is mistaken.

Mr. SMOOT. According to the testimony before the committee, if you take any kind of testimony at all there as being truthful, there was shown to be a great difference—

Mr. BACON. I hope the Senator will speak a little louder. There is some confusion and we can not hear the Senator very well.

Mr. SMOOT. I say there is a difference in the cost of making steel rails in Germany and in the United States, because, according to the testimony given here, steel rails can be made in

Germany for about \$17.75 a ton, as against the very lowest cost in the United States of \$22.81.

Mr. BACON. Mr. President, the Senator has had opportunity for hearing the testimony, and so forth, and the statements in the bosom talks which they have been having across over the way, from which I have been debarred; but I presume that it is a recognized fact that in a very much greater degree than existed ten years ago a very large part of the steel product is sold abroad at much cheaper rates than it is sold in the United States. So long as that continues to exist, Mr. President, it will take nothing short of a mathematical demonstration—and I do not think that this is a matter that can be subjected to a mathematical demonstration, because there are elements entering into it that are not matters of mathematics—but nothing short of an absolute mathematical demonstration would satisfy me of the fact that these products are sold abroad at a loss.

I will not stop to do so now, as possibly this particular stage in the discussion might not warrant it, but at some time I am going to read again to the Senate two letters, which I read once before to the Senate, as to the matter of the difference in cost of steel rails to a railroad company that wants to lay them in the United States and a railroad company that wants to lay them in Canada or in Mexico.

I have a most remarkable letter here from the president of a railroad that lies partly in Mexico and partly in the United States, giving an instance of where he bought from a steel company rails to be laid upon that road, part of it in the United States and part in Mexico, where he had to pay some seven or eight dollars a ton more for the rails that he bought for the part of the road in Texas than he had to pay for the part of the road that lay in Mexico—rails bought at the same time from the same factory in the United States. I will not stop to have it done now, but before this debate is over I am going to put it in again, because I do not think it can be put in the Record too often. Since I offered those letters in the Senate and read them in the course of a speech made by me on this subject some four or five years ago, both of them have been read in speeches made in the House of Representatives, and no man has ever challenged either the accuracy of the statements made there or the fact which is necessarily shown by those statements which I have just mentioned.

Mr. President, the Senator from Iowa has gone very much more into these matters in detail than I have, and I do not profess to be able to follow him into the intricacies of it; but, if I understand him correctly, under this duty there is probably ten or twelve dollars—I have forgotten the exact amount—of advantage to the steel manufacturer. Am I correct in that, I would ask the Senator from Iowa?

Mr. CUMMINS. The duty is equivalent to \$12 a ton.

Mr. BACON. Yes, Mr. President, it does seem to me that that is a duty which ought to be reduced, and, for myself, I propose to vote to reduce it if I have the opportunity.

Mr. MONEY. Mr. President, in this proceeding here, where the Senate is trying to live up to the promise of the distinguished chairman of the Finance Committee to protect every American industry, I feel constrained again to try to bring the Senate to a consideration of their authority for doing anything of that sort; and I ask the Secretary to read what Mr. Webster gives as two primary definitions of taxes.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

#### TAXES.

[Webster's Dictionary.]

A charge or burden laid upon persons or property for the support of a government.

A sum imposed or levied upon the members of a society to defray its expenses.

Mr. MONEY. Those are both primary definitions in Webster's Dictionary, and I do not believe that any lexicographer stands higher for definitions. I do not consider him so good as others on derivations, but on definitions I think he is without a superior.

Now I will ask the Secretary to read what I send up to him from Cooley.

The Secretary read as follows:

The bills of rights in the American constitutions forbid that parties shall be deprived of property except by the law of the land; but if the prohibition had been omitted, a legislative enactment to pass one man's property over to another would, nevertheless, be void. (See Cooley's Con. Limitations, p. 208.)

Nor, where fundamental rights are declared by the Constitution, is it necessary at the same time to prohibit the legislature, in express terms, from taking them away. The declaration is itself a prohibition, and is inserted in the Constitution for the express purpose of operat-

ing as a restriction upon legislative power. (See Cooley's Con. Limitations, p. 209.)

Cooley also states on page 587, in speaking of the power of taxation, as follows: "Taxes are defined to be burdens or charges imposed by the legislative power upon persons or property, to raise money for public purposes."

Again, on page 598, he says: "Everything that may be done under the name of taxation is not necessarily a tax; and it may happen that an oppressive burden imposed by the Government, when it comes to be carefully scrutinized, will prove, instead of a tax, to be an unlawful confiscation of property, unwarranted by any principle of constitutional government. In the first place, taxation having for its only legitimate object the raising of money for public purposes and the proper needs of government, the exaction of moneys from the citizens for other purposes, is not a proper exercise of this power, and must therefore be unauthorized."

Mr. MONEY. Mr. President, those quotations are from one of the greatest jurists this country ever produced—Judge Cooley, of Michigan. I do not know any clearer writer on law, and especially on constitutional law, than Mr. Cooley. I will ask the Secretary to read a decision which is a leading case.

Mr. CLAPP. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. MONEY. Certainly.

Mr. CLAPP. I assume that the Senator is going to take the position that an act of the legislature may be invalid as violative of the spirit of our institutions, although not specifically prohibited by the Constitution, the position which Mr. Cooley has quoted in the document just read from.

Mr. MONEY. That is one of the quotations.

Mr. CLAPP. I wanted to say to the Senator, as a historical fact, that the first case ever decided in this country where an act of the legislature was held invalid, the first time when a court ever assumed that function, was one in which they set aside an act not because it violated a provision of the Constitution, but because it violated the spirit of American institutions.

I presume the Senator is familiar with it, but I thought it would fit in with his argument.

Mr. MONEY. It will fit in well, and I am obliged to the Senator, but I think I can make out the case without it. Nevertheless, I am obliged to him for the contribution.

I will say in that connection that what power we have comes from one single clause in the Constitution, in a very few words; and in Thorpe's Constitutional History of the United States, he only uses a part of this paragraph—that Congress shall have power to lay and collect taxes, duties, excises, and imposts—and stops there, and does not go any further at all. He does not complete it, because it is not necessary, except to define the purpose and not to delegate the power. He stops right there.

I will ask the Secretary to read a decision made by the Supreme Court of the United States in a celebrated case, which goes directly to the point.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

To lay with one hand the power of the Government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation; it is a decree under legislative forms. (20 Wallace, 664, in Loan Assn. v. Topeka.)

Mr. MONEY. That is a decision by one of the greatest judges who has ever been upon the Supreme Bench in my day—the late Judge Miller. In my opinion he was one of the strongest men on the bench during my time.

That was followed by a celebrated case, where the city of Boston, which, under authority of its general court or legislature, had issued a hundred million dollars of bonds to enable the people of the burnt district to rebuild their houses, upon ample security, and stated to be for the general good, in the sense that everybody was interested in it. But that is not the purpose within the meaning of the Constitution, as has been shown elsewhere. That same principle was announced afterwards in the State of Maine in a quite celebrated case. I have forgotten the volume of the Maine Reports. There a township voted \$100,000 to establish a cotton factory, and that was also held to be illegal, unconstitutional, and of no effect.

I do not want to be didactic and open a school here, but I only wish to put this in because I should like the Senators when they are voting upon these schedules to consider their authority to protect anybody, anywhere, or for any purpose whatsoever. However desirable it may be that certain industries should flourish and that certain people should become rich, yet those who have to help to make them rich must be considered also, and we have to know where we get any authority at all.

Apropos of this schedule now under consideration and another one not yet reached, I want to publish some tables which are concise, and I think they are correct. I think they are as

near correct as any tables can be, and they are derived from the best sources, and I will ask the Secretary to read them. They supply completely, I think, the information that was lacked by my friend the Senator from Georgia [Mr. BACON] a moment ago. They give the price of rails abroad and at home, showing that we can make them cheaper and send them abroad in competition with the whole world, and that we do so. I will ask the Secretary to read them.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

*Cost of indirect taxation.*  
PRICE OF SUGAR (GRANULATED).

Year.	London.	New York.	Difference.
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
1906.....	2.47	4.52	2.05
1905.....	8.17	6.20	2.03

2,993,979 tons of sugar consumed in the United States in 1907, at 1.95 cents per pound..... \$130,777,002.72  
Duty collected by the United States..... 60,135,181.00

Cost to the people above the revenue collected by the Government..... 70,641,821.72

PIG IRON.		Per ton.
United States.....		\$17.75
United States duty.....		4.00
United States price, less duty.....		13.75
Germany.....		11.21
France.....		11.25
Belgium.....		11.75
England.....		11.00

United States production of pig iron, 1907, 25,781,361 tons; duty, \$4 per ton; tax on consumer, \$103,125,444; government revenue, 1907, \$1,466,825.

BILLETS, STEEL.		Per ton.
United States.....		\$24.71
United States duty.....		6.72
United States value, less duty.....		17.99
Germany.....		14.88
France.....		15.00
Belgium.....		15.50
England.....		15.14

United States production, 1906, 23,398,136 tons; duty, \$6.72 per ton; tax on consumers, \$157,235,474; government revenue, 1906, \$590,663.

RAILS, STEEL.		Per ton.
United States.....		\$25.41
United States duty.....		7.84
United States price, less duty.....		17.57
Germany.....		17.84
France.....		17.99
Belgium.....		18.59
England.....		18.14

Average of above—Europe..... 18.14  
United States price..... 25.41  
Difference..... 7.27

United States production of steel rails, 1907, 3,977,872 tons; difference in price, home and abroad, \$7.27; tax on consumer, \$28,919,129; government revenue, 1907, \$30,670.

NAILS.		Per ton.
United States.....		\$47.13
United States duty.....		11.20
United States price, less duty.....		35.93
Germany.....		33.60
France.....		34.60
Belgium.....		33.00

United States production, wire nails, 1906, 512,800 tons; United States duty, \$11.20 per ton; tax on consumer, \$5,743,360; government revenue, 1907, \$91; cost to the people for each dollar collected by the Government, \$63,114.85.

RÉSUMÉ.			
	United States revenue.	People pay additional.	Cost to the people for each \$1 tax collected by the Government.
Sugar.....	\$60,135,181.00	\$70,641,821.00	\$2.17
Pig iron.....	1,466,825.00	103,125,444.00	71.23
Steel billets, etc.....	590,663.00	157,235,474.00	267.05
Steel rails.....	30,670.00	28,919,129.00	943.91
Nails, wire.....	91.00	5,743,360.00	63,114.85

Authority for sugar quotations, Willett & Gray, of New York.  
Authority for iron and steel items, a sworn statement containing a table showing prices here and abroad, submitted to the Ways and Means Committee of the House by Mr. Gary, of the trust.  
The prices given above include freight to the seaboard, and in every case show that, without the so-called "protective" duty, the American



people could get the article at a price lower, at least by the amount of this duty, than they are now forced to pay.

The United States Census of Manufactures for 1905 gives as the value of the output of the sugar-refining industry, \$277,285,449; and the labor cost, for wages, \$7,575,650; and for salaries, \$2,156,679. This means that the total labor cost of the industry was 3.5 per cent of the value, or \$9,732,329 for labor, and \$130,777,002 to protect this labor.

The same census report for the iron and steel industry, covering blast furnaces and steel works and rolling mills, gives a total labor cost, including salaries and wages, of \$162,177,898, and a total production valued at \$905,787,733. That means that the labor cost was 16.8 per cent.

Mr. MONEY. Mr. President, I should like very much if Senators who are interested in these schedules would study that table. I think they can rely upon its accuracy. It was intended to be just as fair and accurate as I could have it made. If there is any mistake in it of course it will soon be detected, but the authorities from which those facts are drawn are given, and they can be verified or falsified by a little bit of study and examination, and I should like to have it done. So far as I am concerned, I do not want to proceed here upon any false hypotheses or any misstatement of facts, whether made innocently or otherwise. We ought to proceed with information, and upon information of the very best available character, and I think I have given it to the Senate in that table.

Mr. President, I submitted yesterday a table which showed how much of the cost of production was the wages of labor in this country, and that it averaged 17.16 per cent of the produced article, which is very much below what seems to be the estimate made in the Senate of the cost of labor, if we believe that the protective tariff is simply to cover, as the platform of the Republican party says it should, the difference in the cost of labor between this country and elsewhere.

I wish to say before I close, for I do not intend to speak—in fact, I can not do it—that there is not a market in Europe where American manufactures are not found. In Sheffield and in Birmingham, the great hardware and tool markets of the world, except, perhaps, Liege, which makes all the gun barrels in the world, there will be found the American carpenter's tools, because they are the very best made, and they find a ready market there; and there is not a city in Europe where they are not found. You can not go to a city in Europe where you will not find American shoes and American hosiery on sale. I recollect very well once that I had to hunt up American hosiery abroad to get what I wanted. It does prove, it seems to me, that the cost of labor in this country is not to be rated by the wages paid per day, but how much the labor item enters into the cost of the finished article. If I can get one man at \$2 a day who will do as much as 4 men at 50 cents a day, it does not cost me any more to manufacture an article.

I ask consent of the Senate that the two tables I presented to-day and yesterday be printed as a document for the use of the Senate.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

Mr. BURTON. Mr. President, I must admit some surprise at the insistence that the duties in this paragraph be lowered. If there is any one item in the iron and steel schedule—in fact, I may say in the whole bill—in reference to which we should proceed with care in lowering the rate, it is this.

I want to call attention to a fundamental fact which seems to have been overlooked by some in this discussion. There is a difference between iron and steel. This paragraph pertains to iron bars. They are in sharp competition with steel bars. The amount of labor required for the iron bar is, perhaps, four times as great as for the steel bar. The steel bar is rapidly displacing the iron bar, it is true, but nevertheless the manufacture of the articles included in this paragraph is still an important item of business. It employs a great many people. The puddler, who at one time was one of the best known of the iron workers, is engaged in the manufacture of the iron bar.

It has already been said that the steel corporation does not manufacture this article. It manufactures the steel bars. I have received numerous letters from independent and small manufacturers, stating that there should be a discrimination in favor of the iron bar; that the duty upon it should be somewhat larger. There is a manifest reason for that, because more and more the manufacture of the steel bar is accomplished by the use of machinery.

Attention has been called to a general fact in this discussion, and that is the comparatively light importations of steel and iron. Anyone familiar with these trades knows it to be a fact that, save in certain forms of iron and steel, what may be called "fancy articles," those of a higher grade, used for distinctive purposes, such as the Swedish iron, the foreign producer has virtually abandoned the American market in recent years. That does not mean that when the prices of iron and steel are high

here a supply will not come in from abroad. But the general fact is very similar to that which exists when a boat between two places is taken off because the traffic has become so small that the route is abandoned. But with a substantial reduction in these duties it is evident that the manufacturers of Germany, France, and England will again give attention to this market; and if it be profitable, by discriminating freight rates, by rebates among syndicates, and by lower cost of labor, to make a large inroad into the American market, the attempt will no doubt be made.

The reductions throughout this schedule are very substantial. But there is a point beyond which we should go only with caution, and it is particularly true of this paragraph. Where so large a share of the cost depends upon labor, and so much less advance having been made in the use of machinery, a reduction here, such as is made in the report of the Finance Committee, one-tenth of a cent per pound upon one form and two-tenths of a cent upon another, would seem ample to meet the demand for a revision in the tariff and for a revision downward.

Mr. STONE. Mr. President, the junior Senator from Pennsylvania [Mr. OLIVER], in reply to some observations of the Senator from Georgia [Mr. BACON] relating to a famous letter written by Mr. Schwab, said that Mr. Schwab had since stated that that letter was attributable to youthful exuberance and inexperience. I hold in my hand a clipping from the New York Sun, of March 28 last, which I offer as a contribution to this literature. I can not, of course, vouch for the authenticity of this writing, which purports to be an interview with Mr. Schwab, telegraphed from Chicago. But it appears in a first-class paper and goes out under its authority. I feel warranted, therefore, in presenting it, and I ask the Secretary to read it.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

SCHWAB NOT ALARMED—STEEL, HE SAYS, CAN STAND ANY CUT THE TARIFF REVISERS MAY MAKE.

CHICAGO, March 27.

"Cut the tariff on steel or anything else all you please. American labor can stand it. I don't care," said Charles M. Schwab to-day at the Auditorium Annex.

"I believe in a reduction. I feel just as Andrew Carnegie does on that matter. In my estimation American steel can stand all cuts in tariff that are made. American labor can make the best steel in the world, and with it we can compete with the world.

"I know nothing about other lines—that is, technically—but I have enough confidence in American labor to believe that cuts can be made in them without hurting business.

"I have been in contact with labor of all kinds for years, and I know what it can do. I know that American laborers can produce more steel in a given time than any other workmen in the world. I know that they can put out better steel than any others.

"We can compete with any other country. We have nothing to fear by a cut in tariff, because we have the best goods. It is true that we have to pay our workmen most; you always have to pay the most skillful workmen the highest wages.

"The Americans are the best workmen on earth. The highest paid labor is the cheapest to the employer. The man that understands his work thoroughly and executes it without mistakes is the man that makes money for his employer.

"The man that is employed at a cheap wage and goes slowly and makes blunders produces cheaper steel or any other goods and can not compete with the man that thoroughly understands his business and produces good material."

Mr. Schwab looked the picture of health, despite recent reports of his illness.

Mr. NELSON. Mr. President, while I am aware of the fact, in view of what has transpired in the Senate, that it may be love's labor lost to say anything on this subject, yet in reference to paragraph 117, and that is connected with 118, I beg leave to call the attention of the Senate to certain facts which we have in the testimony in this case upon which we can stand. If I understood, although I could not catch the Senator's remarks correctly, the junior Senator from Pennsylvania [Mr. OLIVER] contended that there was this difference between the cost of production here and abroad; that it was all owing to the cost of labor.

Now, fortunately on that point we have some definite testimony. I call attention on this question to the testimony of J. H. Nutt, found on page 1521 of the House hearings. Mr. Nutt came here on behalf of the Western Bar Iron Association. He gives in his testimony the cost of production of bar iron in England, citing three places—in the Northumberland district \$2.25 a ton, in the west of Scotland district \$2.43 a ton, and in the Midlands district \$2.31 a ton—and he averages the three at \$2.33 a ton to produce bar iron in England.

On the next page, 1522, he states the cost of doing the work here, as against the work in England, and this is the labor cost I refer to, and he states it is from \$6.50 to \$6.62 per ton.

This makes a difference, taking his own figures. If you take \$6.50 as the labor cost a ton in this country and \$2.33 as the average cost in England, it makes a difference of \$4.17 a ton. That is the difference, according to Mr. Nutt's testimony, be-

tween the cost of labor in England and the cost of labor here. In paragraph 117 the duty levied by the Senate committee's bill is three-tenths of 1 cent a pound; in other words, \$6 a ton, to make up for the difference of \$4 in labor cost, or an increase of between 45 and 50 per cent over the difference in the labor cost in Europe and here.

Mr. BURTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. NELSON. Certainly.

Mr. BURTON. I would call the attention of the Senator from Minnesota to the fact that those wages are merely for puddling, which is but a part of the work of making bar iron.

Mr. NELSON. That is the work of making that kind of iron, and the difference in the labor cost would continue to be the same throughout.

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Will the Senator from Minnesota yield to the Senator from Pennsylvania?

Mr. NELSON. Certainly. I am always glad to get information from first hand.

Mr. OLIVER. I wish to emphasize what the Senator from Ohio has said and to which the Senator from Minnesota appears to have paid no attention. The difference of four dollars and odd cents per ton alluded to by the Senator from Minnesota is simply the difference in the labor of one man among the army of men engaged in this manufacture. Around those mills there are probably 100 men, and the puddler is only one man out of the hundred. Still the difference amounts to two-thirds of the difference in the proposed duty upon the bar.

Mr. LA FOLLETTE. Mr. President, I should be very glad indeed if some one entirely familiar with this paragraph would furnish the Senate with the exact difference in the cost of producing in this country and in competing foreign countries the articles covered by the paragraph and embraced within the amendment of the Senator from Iowa. It seems to me that either the Finance Committee or some of the Senators upon this floor who appear to have considerable familiarity with this subject ought to be able to furnish that information. I have waited for some time to see if it would not be forthcoming. I have been disappointed in this expectation, as I have in this respect with most of the discussion up to the present time.

I have been, sir, as diligent a reader as it was possible for me to be of the testimony and all the printed matter that has been furnished to the Senate. Occasionally one may dig out of this mass of material something that helps somewhat toward a conclusion. From such investigation as I have been able to make I believe that in all this testimony it will not be possible for anybody to furnish—and certainly up to the present time no member of the Finance Committee has furnished—to the Senate any of the information necessary to an ascertainment of the difference in the cost of production between this and the competing foreign country.

It has not been forthcoming. It will not be forthcoming, I apprehend, Mr. President. We may approximate to it, but the specific information which the Senate ought to have to make a tariff bill in conformity with the pledge made by the Republican national convention has not yet been presented. I say that occasionally you will find in this testimony some information that helps along a bit, but it is never conclusive or entirely satisfactory.

For my own part, Mr. President, I want to give to every industry in this country that protection which is necessary to measure the difference in the cost of production between this and the competing foreign country. I should qualify that somewhat in the case of producers who are clearly demonstrated to be in combination to destroy competition. But I know enough, if I do not know much about this subject, to know that the manufacturers who appeared before the Ways and Means Committee of the House and before the Finance Committee of the Senate usually asked for all the protection they needed.

I find with respect to bar iron—not bar steel, but bar iron—that the president of an association of manufacturers which had its meeting in New York on the 23d of November, preparatory to presenting their case before the Ways and Means Committee, selected Mr. James Lord to make that presentation. Mr. Lord, on the 3d day of December, transmitted to the Committee on Ways and Means, after having previously appeared in person before that committee, a statement of the wishes of the manufacturers of bar iron with respect to the duty. Prior to addressing the committee he had communicated with some 30 of the manufacturers of bar iron, all of them excepting those upon the Pacific coast, whom he had not had time to reach. And he states that while they would prefer to have existing rates continued because of the disturbance to business incident

to any change, nevertheless 25 out of the 30 manufacturers, representing a great majority of the tonnage produced in the United States, wanted to be counted for a duty of five-tenths of a cent a pound, precisely the amount fixed in the amendment offered by the Senator from Iowa.

Why the Ways and Means Committee increased that duty beyond the amount asked for by the representatives of these manufacturers with respect to bar iron I do not know. I have not been able to find anything in the testimony taken by the House committee to warrant that increase. But I do find right in this communication of the president of these manufacturers a reason for a much less duty than five-tenths of a cent a pound upon bar iron. He says in this statement that the wages paid abroad in the production of a ton of bar iron is a little less than one-half the wages paid in this country. A Senator on this floor only a few moments ago informed me that one puddler could make a ton of bar iron a day. He told me that the wages paid to that puddler would be \$6.

Mr. OLIVER. Mr. President—

Mr. LA FOLLETTE. I am taking the statement of a Senator on this floor for that fact.

Mr. OLIVER. I do not know whether I was the man or not.

Mr. LA FOLLETTE. Oh, no.

Mr. OLIVER. I meant to say \$6.50.

Mr. LA FOLLETTE. I did not refer to the Senator from Pennsylvania.

Mr. OLIVER. I thought the Senator would want to know, and I told him.

Mr. LA FOLLETTE. The communication was voluntarily made to me by another Senator. But put it at \$6.50. The wage cost, the labor cost, entering into a ton of this product is not more than double in this country, or very little more than double, the amount paid in England.

Now, why should we put a \$12 duty on a unit of product into which there enters but little more than \$6 of labor? The measure of a fair protective duty is not the total labor cost in this country, but the difference between the labor cost in the two countries. We have great advantages outside of the wage cost, as every man knows who has made an investigation of this subject. We have great advantages over any competitor in the world—advantages in the improved machinery, in the advanced processes, in the specialization of labor, in all that makes for higher efficiency and that cheapens production in any great industrial operation. We have a great advantage over any country in the world. In the matter of wages—

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. LA FOLLETTE. I do.

Mr. OLIVER. The Senator's remarks would perhaps be applicable if applied to the steel business, but I want to say right here, and I speak from knowledge, that so far as the iron business is concerned as distinguished from the steel business—that is, the art or the process of taking pig iron and converting it into what is known as "bar iron and its products"—the industry has advanced scarcely anything in the last forty years, and that is because it depends so much upon hand labor. In producing iron the iron has to be manipulated by a man. In producing steel it is manipulated by machinery.

The Senator talks without knowledge of the subject upon which he is speaking when he talks about great improvements that have occurred in machinery and in the development of the iron and applying them to the manufacture of puddled iron.

Mr. LA FOLLETTE. Mr. President, I confess, of course, to a lack of practical experience in this business. I have not any interest in and never have had any connection with it.

Mr. OLIVER. I want to say that neither have I, not a dollar in this business, or in any other enterprise applied to the business.

Mr. LA FOLLETTE. I am very glad to have that announcement from the Senator.

Mr. OLIVER. I formerly had.

Mr. LA FOLLETTE. I have no interest in this business further than trying to get the truth in respect to it. I have no knowledge derived from practical connection with the business. But if the Senator from Pennsylvania is right about there never having been any improvement in making bar iron from pig iron in forty years, let it stand at that. The same would be likewise true of any other country. I must say that I very much doubt that no improvements have been made in the processes, and I very much doubt if bar iron is made entirely by hand labor. I may be wrong about it.

Mr. OLIVER. I think you are.

Mr. LA FOLLETTE. But if I am wrong about it, Mr. President, putting it upon a hand-labor basis, neither the Senator



from Pennsylvania nor any other Senator need tell me that the efficiency of the American workman does not surpass the efficiency of any other workman on the face of the earth, and if it is simply and solely a question of making this article for market and making it all by hand, there is no justification for a duty of five-tenths of a cent a pound, or indeed of more than three-tenths of a cent a pound, to afford full protection for the difference in the cost of production. The representative of these interests who appeared before the House committee gives the cost of the refined bar iron of commerce in this country at from \$1.35 to \$1.50 per hundred pounds. That would be, taking the \$1.50 rate, about \$30 a ton. Put it at \$30 a ton. He states in the same communication that the price of refined bar iron in England, November 1, was \$29.84 a ton.

Now, there you have it. There is the selling price of this product in England almost matching the selling price of the product in this country.

Mr. OLIVER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. LA FOLLETTE. I do.

Mr. OLIVER. I again call the attention of the Senator to the fact that Mr. Nutt stated \$1.32 to \$1.50.

Mr. LA FOLLETTE. I said \$1.35 to \$1.50.

Mr. OLIVER. At \$1.35 it would be \$27 a net ton, not a gross ton, and \$1.50 would be very considerably more.

Mr. LA FOLLETTE. About \$30.

Mr. OLIVER. A net ton. This article is gauged by the gross ton all the time.

Mr. LA FOLLETTE. Well, making an allowance for that, they have no right to claim a duty here of \$12 or even \$10 a ton on this product. There is no necessity for it. We can safely reduce this duty not only to what these men ask—a duty of five-tenths of a cent a pound, the exact amount named in the amendment offered by the Senator from Iowa [Mr. CUMMINS]. Indeed, sir, we can with perfect safety reduce it to three-tenths of a cent a pound.

Mr. RAYNER. I should like to ask the Senator a question. I made a little calculation here. I do not know whether I am right or not. This duty is calculated on about four times the amount of the difference between foreign and American labor.

Mr. LA FOLLETTE. I think it is.

Mr. RAYNER. It is twice the amount of the whole American labor on the product.

Mr. LA FOLLETTE. It is. Perhaps, as suggested, the rest is added under the guaranty of a reasonable profit. I do not know; I have not been able as yet to learn how much of the duties proposed in this bill measure the difference in the cost of production and how much is allowed as a "reasonable profit" to the domestic manufacturer.

Mr. CULBERSON. Mr. President, it has been stated by the Senator from Pennsylvania [Mr. OLIVER], and also by the Senator from Ohio [Mr. BURTON], that the United States Steel Corporation did not manufacture any iron, as described in paragraph 118 of the bill which we are now considering. Apparently that matter is regarded as important. I therefore invite the attention of those Senators to the statement on page 28 of the seventh annual report of the United States Steel Corporation for the year ending December 31, 1908. Before calling specific attention to it, I will read a portion of paragraph 118:

Round iron, in coils or rods, less than seven-sixteenths of 1 inch in diameter, and bars and shapes of rolled or hammered iron.

And so forth.

At the page I referred to a moment ago we find the following statement in this report:

Rolled and other steel and iron products for sale.

Now, the capacity of this company to produce rolled or other steel and iron products, April 1, 1901, as stated here, was 7,719,000 tons. That was increased by the purchase of the Union and Clairton companies, 1,103,000 tons, and by the purchase of the Tennessee Iron and Coal Company, 400,000 tons, and due to additions and improvements made by the companies after their acquirement by the United States Steel Corporation of 3,678,000 tons, making the total capacity for rolled and other steel and iron products for the year 1908, 12,900,000 tons.

I do not know how important it may be as to whether or not the steel corporation manufactures any of this iron; I do not know which one of these statements may be the correct one; but I invite the attention of the Senators to whom I have referred to this at least apparently authoritative statement of the company itself.

Mr. OLIVER. Mr. President, as the Senator from Ohio [Mr. BURTON] is absent, I will say that, in response to the inquiry of the Senator from Texas, that I do not think there is a single exception to the universal statement that the United States

Steel Corporation do not manufacture any puddled iron whatever. If in any of their small mills they have a few puddling furnaces, I am not aware of the fact. I am told by people connected with that corporation that they are not at all in the iron business; that they rely entirely upon the great Bessemer and open-hearth steel business for manufactured pig iron. They turn that into steel in Bessemer converted and in open-hearth furnaces. They convert that steel into various shapes and articles of manufacture and of consumption, and put it out to the world. They do not go after the small business, like the puddled-iron manufacturers do. I think there is no exception whatever to that statement. They are steel manufacturers and not iron manufacturers, so far as the finished products are concerned. They do not go beyond pig iron.

Mr. ROOT. Mr. President, I have listened with a good deal of interest and some perplexity to the remarks of the Senator from Wisconsin [Mr. LA FOLLETTE] with regard to bar iron. He seems to have found in the testimony taken before the House committee ground for believing that the duty on that product ought to be reduced, according to the statement of one witness, to five-tenths of a cent a pound, and according to his judgment upon all the testimony to three-tenths of a cent a pound. I say that I have listened to it with perplexity, because it seems to me that the duty upon bar iron, which is provided for in paragraph 117, an article regarding which the Senator from Wisconsin has been addressing us, is, under the present law, six-tenths of a cent a pound, was reduced in the House bill which has been sent to us to four-tenths of a cent a pound, and is reduced by the amendment proposed by the Finance Committee to three-tenths of a cent a pound, the lowest figure which the Senator from Wisconsin finds warrant for in the testimony.

Mr. President, I want to say a word, induced by the observations of the Senator from Wisconsin [Mr. LA FOLLETTE] regarding the duty of the Finance Committee to the Members of this Senate. We are not making a tariff bill in this body. The Constitution precludes us from the performance of any such office. The House of Representatives makes a tariff bill and sends it to the Senate. It is the privilege and the duty of the Senate to concur or refuse its concurrence and to amend or propose amendments in accordance with its judgment.

Mr. CULBERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Texas?

Mr. ROOT. Certainly.

Mr. CULBERSON. I ask the Senator from New York if the only constitutional requirement is not that the bill shall originate in the House of Representatives?

Mr. ROOT. It is; but the bill that originates in the House is, and always must be, the bill with which we deal. Upon the provisions of that bill we are bound to pass. That bill came to the Senate and it was referred to the Finance Committee. In the discussion which took place in this Chamber at about the time of the arrival of the bill, fair notice was given to the Senate that the Finance Committee did not propose to take additional testimony regarding the subject-matter of the bill. The chairman of the Finance Committee stated it to the Senate, and it was accepted by the Senate. He said to us in substance:

The Finance Committee will consider the bill when it is referred to us upon the testimony taken before the Ways and Means Committee of the House, and such information as we can obtain informally and individually.

I say this proposed course of procedure was accepted by the Senate because no Senator arose in his place to object to it, and no Senator proposed that the Finance Committee should be called upon to take additional testimony.

The committee proceeding thus, and in accordance with the will of the Senate, has reported to the Senate the amendments which it proposes to the bill—the amendments which it thinks ought to be made to the bill—and those amendments are now before us. I submit to the fairness of the Senate that there is no duty imposed upon the Finance Committee to do our work for us in regard to any matter that has been charged upon them by the Senate. I do not ask them to furnish me with industry or application or intelligence, and I do not think that any Senator should ask it or find fault with them for not doing it. Upon all those provisions of the bill as it came from the House as to which the Finance Committee proposes no amendments the provisions stand before the Senate for concurrence or nonconcurrence, and any Senator is at liberty to move any amendment he chooses. If he sees fit to move an amendment, it is his business to bring before the Senate the facts and to substantiate the facts which, in his judgment, justify the amendment he proposes. It is not the business of the Finance Committee to foresee the amendments different Senators will propose and undertake to furnish them in advance with the facts upon which they may maintain them. So far as I have been

able to see, the Finance Committee has been ready to substantiate by facts and by appropriate arguments the amendments which it proposes; and the argument of the Senator from Wisconsin, who has just taken his seat, substantiates and demonstrates the wisdom of the amendment of the committee which is now before us, to wit, the reduction of the duty upon bar iron below the point to which the House proposed to reduce it—to three-tenths of a cent a pound, which is one-half the duty imposed by the present law.

Mr. CUMMINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Iowa?

Mr. ROOT. I do.

Mr. CUMMINS. I only wish to suggest to the Senator from New York that he is mistaken in supposing that paragraph 117 is now before the Senate. The Senate has already adopted that paragraph. As I understand, the question now before the Senate is upon the amendment offered by myself to a portion of the House bill with which the Finance Committee has not interfered in any way.

Mr. ROOT. May I say to the Senator from Iowa that I was addressing my remarks to a criticism upon the committee by the Senator from Wisconsin, which he supported by reading the testimony regarding the duty upon bar iron? Whatever the Senator from Iowa may have considered to be before the Senate, we had just been listening to an argument regarding bar iron and a demonstration by the Senator from Wisconsin that the duty upon bar iron ought to be precisely what the Finance Committee has proposed, coupled with a criticism of the committee that it had not presented the facts necessary to understand what the duty ought to be.

Mr. RAYNER. Mr. President, before the Senator takes his seat, will he permit me to ask him a question?

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Maryland?

Mr. ROOT. Certainly.

Mr. RAYNER. I should like to ask the Senator from New York whether we can not amend every paragraph of this bill?

Mr. ROOT. If the Senator can get the votes.

Mr. RAYNER. I am not talking practically about getting the votes; but the Senator raised a quasi legal-constitutional question, and I should like the Senator to state whether or not, when this bill comes from the House of Representatives, we can not amend every paragraph and section of the bill, and thus virtually make a new bill?

Mr. ROOT. Certainly.

Mr. RAYNER. With the House of Representatives bill as the basis.

Mr. ROOT. Certainly.

Mr. RAYNER. That would be making a new bill.

Mr. ROOT. My proposition is that, when the Finance Committee report no amendment to the House provision, the House provision stands before us for action, not as if it were proposed by the Finance Committee, but as it is proposed by the House without action on the part of the Finance Committee. Therefore no responsibility is thrown upon the Finance Committee to furnish facts or arguments in respect to that particular provision.

Mr. RAYNER. But, then, Mr. President, the Senator somewhat qualifies the statement that he made before, as I caught the statement.

Mr. ROOT. Not in the least.

Mr. RAYNER. Because, in my judgment—I may be wrong about it—we can amend every paragraph and section of this bill. We can strike out every paragraph and section of this bill and make a new bill. That is the way in which I interpret section 7 of Article I of the Constitution. That section reads:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

In other words, so far as concurrence with amendments or any proposition with reference to amendments is concerned, we have precisely the same right to do that with this bill as we have with any other bill that comes to us from the House of Representatives.

Mr. ROOT. Precisely; but it is always the House bill; it is never the Finance Committee bill.

Mr. RAYNER. But, Mr. President, there would be nothing but the title of the bill left in the case I suggest. If we were to strike down or amend every section of this bill, there would be nothing left but the title of the bill; and we could amend the title of the bill if we wanted to do so.

Mr. ROOT. Certainly; but it is always the House bill; and when the Finance Committee report the bill back every pro-

vision of it to which the committee proposes no amendment is the House provision, and not the Finance Committee provision.

Mr. RAYNER. But, Mr. President, if we amend every paragraph and section of the bill and amend the title of the bill, what is left of the House bill?

Mr. ROOT. Nothing; but if the Finance Committee does not report any amendment to a particular provision of the bill, then the supposition of the Senator from Maryland does not apply, and we are dealing with the House provision. To substantiate that provision, we look to the testimony taken by the House and arguments made in the House upon which the House acted.

Mr. RAYNER. But, Mr. President, that does not answer the constitutional question that we can make a new bill in this body and send that new bill back to the House of Representatives.

Mr. ROOT. Well, it serves my purpose, Mr. President.

Mr. RAYNER. I know; but, then, the Senator was misunderstood in the first statement which he made.

Mr. ROOT. I think not. It serves my purpose. I was dealing with the question as to whether the Finance Committee is under any obligation to this Senate to furnish to us facts, figures, or arguments regarding the provisions of this bill which they did not originate and which they do not propose to amend; and upon that I say, as to all provisions which the Finance Committee do not propose to amend, the Finance Committee have no duty to this Senate; the provisions stand as provisions coming from the House of Representatives, open to amendment on the motion of any Senator upon his own responsibility and upon his own obligation to furnish facts to sustain his amendment.

Mr. CULBERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Texas?

Mr. ROOT. Certainly.

Mr. CULBERSON. At the risk of interfering in the controversy between the Senator from New York and the Senator from Wisconsin, I call the attention of the former Senator to the fact that the committee propose to amend paragraph 118, which we are now considering.

Mr. ALDRICH. The committee does not propose to change the duty, however. It only proposes to change the phraseology. There is no change in the rate of duty.

Mr. McLAURIN. Mr. President, I have no criticism to make of the Committee on Finance for anything they have done. I think the committee have been very diligent in examining the bill and that the committee have been very diligent in furnishing to the Senate all the information that was accessible to the committee or that they could gain by the most diligent research; but I can not sit still and hear the proposition of the Senator from New York [Mr. Root] go by without any challenge at all.

As I understand, when the bill was referred to the Finance Committee it was the House bill, to be sure, as it is now, but every paragraph of that bill was referred to the Finance Committee and it was supposed that the committee would examine, and I am satisfied they did examine, every individual paragraph of the bill. If a particular paragraph was satisfactory to the committee and the committee thought that it should stand as it came from the House, for good reasons that presented themselves to the committee and controlled the judgment of the committee, it was reported to the Senate without any amendment; but if there were paragraphs that the Senate committee upon investigation concluded ought to be amended, then the committee, upon investigation and consideration and upon their judgment, reported those paragraphs with amendments, which they recommended to this body.

In my judgment, the committee had reasons for recommending that certain paragraphs should be adopted by the Senate without amendment, just as well as they had for suggesting that other paragraphs should be adopted with amendments; and those reasons were based upon the investigation and upon the information that the committee acquired by reason of that investigation. So that it is to be supposed that the committee had information with respect to all the paragraphs in this bill.

I could not permit the matter to go by without saying this much. I am satisfied that the committee have given the bill the most careful investigation and the most deliberate consideration, and have given us the benefit of all the information that they possessed; in fact, I have been sometimes astonished at the amount of information that has been acquired by the committee.

Mr. LA FOLLETTE. Mr. President, when this bill came from the House to the Senate and was referred to the Committee on Finance, it passed under their jurisdiction, with full power to make changes in every duty and in every paragraph of the bill. The reasoning by which the Senator from New York [Mr. Root] seeks to arrive at the conclusion that the Senate Finance Committee has no responsibility for any part of



the bill in which they make no change, after having that bill in its entirety, from its title to the last line, under consideration, I do not believe will appeal to the judgment of the Senate, and I know it will not appeal to the judgment of the country.

Is it to be assumed or to be argued that when, after full consideration of a duty proposed by the House, the Finance Committee reports that House duty back to the Senate without amendment, the committee does not thereby sanction and approve that duty? If we are to proceed upon that theory, of what meaning is it that a bill is considered by a committee and reported back to us with the recommendation of the committee that the bill pass as reported, both its amended and unamended provisions?

Mr. President, it is well understood how legislation proceeds in the Senate and who has the responsibility for it. No hair-splitting argument will relieve any committee of this body or will relieve those who control the appointment of the committees of their responsibility for the legislation of this body. This bill came here and went to the Committee on Finance. No man on this floor had it in his power to make a suggestion with respect to it. No man had any control over it whatever. The Finance Committee took it into their committee room. It is fair to say to the Senator from New York, if he does not know it—and if he does not know it, he is probably the only Senator on this floor who is not aware of it and was not aware of it—that the Senate Finance Committee was at work upon a bill prior to the time this bill passed the House. It was the talk on this floor for weeks that they were considering and preparing a bill, schedule by schedule. You may make your fine-spun arguments with respect to the letter of the Constitution, but things are done in the Senate according to the method prescribed by those who manage the Senate.

I say that this tariff bill went to the Committee on Finance. They had full power and control over it. They made their organization for conducting their investigation as they saw fit. They took testimony, and, according to the statement made by the Senator from Rhode Island [Mr. ALDRICH] on this floor, some of that testimony—so much of it as suited their purpose—they had reduced to writing by stenographers who had been detailed for that purpose from the departments. It was considered important, Mr. President, for the Senate Finance Committee to give hearings to some people who came here; it was considered important before the report of this bill that they should take what is called "testimony." If they took it with respect to some paragraphs and made a modification of those paragraphs, but made no modification of some other paragraph, it is fair to assume that upon investigation they determined that the paragraph which they did not change was right as it stood. I think the Senate has a right to proceed upon that theory and that this committee are as responsible for a paragraph in this bill or a rate in this bill that they do not change as they are for a rate that they do change. They have, by reporting the bill, approved the whole bill.

Now, Mr. President, if they are so responsible, if that reasoning has practical common sense to support it, then, if they have reasons for making changes in any portion of this bill or for recommending the passage of some portions of it without amendment, those reasons should be furnished to this body. The Senator from New York may be well satisfied with the reasons that have been furnished in the course of the argument; he may be well satisfied with the statement made by the chairman of the Finance Committee when he brought before the Senate this bill—a great bill to revise the tariff schedules affecting 90,000,000 people; a revision for which the people of this country have made urgent demand for years; a revision in which the people of the country are deeply interested in every part and paragraph affecting their daily living expense.

The statement made by the chairman of the Finance Committee related wholly and solely to the revenue features of the bill. I doubt, sir, if ever before in this body—I am sure that never in any other legislative body—did the chairman of a committee reporting out a great tariff measure content himself with a fifteen or twenty minute statement with respect to the revenues alone and the effect of the bill upon the revenues, and with no report whatever accompanying the bill from the committee.

What is it that satisfies the Senator from New York? Schedules are taken up here, rates upon important items entering into the consumption of the people of this country are advanced, with no man rising here to give any reason for the advance, no reason for the advance to be found in any report made by the committee, no reason for the advance to be found in any statement printed by the committee or furnished by the committee to the Senate, and no reason given on this floor for it. It strikes me that the Senator from New York is pretty easily

satisfied if he can content himself with these advances in rates without any argument or any reason or any fact being furnished for them. I am confident that the people of this country will not be satisfied in that way, and, for my own part, I am not.

I say that when the Finance Committee and the committee of the other House took up in due course the investigation of this subject, they took it up under a weight of responsibility that has not rested upon any committee charged with the revision of the tariff, at least since the days of the civil war.

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LA FOLLETTE. Certainly.

Mr. RAYNER. Is there any doubt at all in the Senator's mind that the Finance Committee has accepted every paragraph of this bill as it came from the House that is unamended?

Mr. LA FOLLETTE. I can not conceive—

Mr. RAYNER. Neither can I.

Mr. LA FOLLETTE. That is possible. If they have got some system here under this provision of the Constitution or any other provision which relieves a committee of this body of its responsibility for the provisions of a bill which it reports for passage because the bill originates, and must originate under the Constitution, in the other branch of Congress, I think it is a new constitutional discovery to the Members of the Senate and, I believe, to the country.

Mr. RAYNER. It is to me, Mr. President; but what I want to ask the Senator is this: As I understand, when this bill came from the House of Representatives, the Finance Committee took it up. They accepted certain provisions in this bill and amended other provisions in the bill. The amendments are before us; but the paragraphs that they have not amended have been absolutely accepted by the Finance Committee and so reported to the Senate. Is not that the Senator's contention? It seems to me to be an unanswerable proposition.

Mr. LA FOLLETTE. It seems to me that it can not be gained that every single line and paragraph of this bill that has not been changed has the sanction and approval of the committee upon it, and they are charged with exactly the same responsibility for one of those provisions as they are for any change they have made, and I think they ought to be prepared to stand here and inform the Senate as fully with respect to a House provision which they have approved as with respect to an amendment which they recommend, for it is fair to assume that they have investigated this whole bill and that they know as much about the provisions which they have not changed as they do about the provisions which they have changed.

Mr. President, I took the platform resolution adopted at Chicago to mean something. I understood it to mean that if the Republican party was charged with the responsibility of doing this business it would do it according to the terms laid down in that platform; that it would revise the tariff, measuring to the producers of this country that standard of duty which would put them on a level with the producers of foreign and competing countries. That resolution contained a provision with respect to guaranteeing profits, which I think had no business there, which I think was crowding the old Republican party too hard. You can analyze the provisions of the platforms of the Republican party since 1860, and you will find only one instance when anything suggestive of that idea was incorporated in the platform.

I, perhaps, ought not to take a moment to speak of that, but I am just going to say this in passing: I believe that those who were instrumental in putting that provision into the Republican platform will regret it. If you are going to measure out reasonable profits, then you have to know every fact with respect to the conduct of that business, and these gentlemen will have to come before the committees which make tariff bills and un-bosom themselves with respect to the cost of production and with respect to their profits.

It was suggested by the chairman of the Finance Committee, in response to a question which I asked at an earlier stage—

Mr. DICK. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LA FOLLETTE. Not now; I will yield later.

At an earlier stage of the proceedings here he said, with respect to one duty which had been proposed, that it was proposed with the purpose of allowing the American manufacturers a protection to equal not only the difference in the cost of production, but a reasonable profit besides. No bit of information has ever been furnished to the Senate which would enable it to know how these duties have been determined—whether they are intended to equal the difference in the cost of production and

something more, or whether they have taken simply a blind guess at what should be fixed and based it upon the application of the men who wanted the duty.

I think the statements made by the chairman of the Finance Committee, over and over again on this floor, that he gave heed to the testimony of manufacturers who are maintaining industries in this country, and, practically, that he did not heed the testimony of anyone who appeared upon the other side, because they were seeking to destroy the industries of this country, give support to the belief that these duties have been fixed generally about as suggested by the gentlemen who are to be the beneficiaries. If that is the sort of tariff making which is satisfactory to the Senator from New York, I again say I do not believe it is to a majority of the Senators on this floor, and I know it is not to the country.

Mr. GALLINGER. Mr. President, during my term of service in this body I have never witnessed anything like what has occurred in this debate during the past month. The flood of denunciation that has been poured out against the committee which has had charge of this bill, and especially against the distinguished chairman of the committee, I think is unparalleled in our recent history. It may serve the purpose of some Members of this body to indulge in that kind of vituperation, but I submit it is not serving the interests of the people of the United States, and it is not doing any good so far as this body is concerned.

I have been astounded, Mr. President, that the Senator from Rhode Island has been able so to conduct himself as to treat with kindness, courtesy, and patience the attacks which have been made upon him. He has a better temper, a better disposition, than some of us have or he would have struck back in different fashion from what he has.

Mr. President, the Senator from New York was right in his contention. Under the Constitution of the United States the House of Representatives made this bill. It comes here for our consideration, and it is our privilege to amend it as much as we please. But it remains always a House bill. That is never changed. After we have passed it it goes into conference. When it emerges from conference it is the bill of the House of Representatives and not a Senate bill; and I submit, Mr. President, that it is our duty in good temper, with courtesy toward each other, to proceed to consider this bill precisely as we are in the habit of considering appropriation bills that come to us from the other House.

I recall, Mr. President, that during the last session an appropriation bill came into my possession. I suggested to the committee 383 amendments which were made to that bill; but it was the House bill. It went to conference. A number of those amendments were agreed to, and a number of them were not agreed to; but when it was reported back to the two Houses it was the House bill. So I say the Senator from New York is right so far as the Constitution is concerned, and he is right as to the proper procedure in this body in the consideration of the measure now before us.

But, Mr. President, I wish to occupy a few minutes of the time of the Senate on another matter. I am not taking much time in this debate, but I wish to call attention to one thing which has been insisted upon here over and over again and that has gone out to the country without being challenged. I recall the circumstance that the distinguished senior Senator from Georgia [Mr. BACON] in a very fervid address charged that the duties levied upon the consumers of the United States under this tariff bill would amount to at least two thousand million dollars; that is, that the duties under this bill would be added to the cost of the articles that the consumers of this country had to buy. If I understood the paper aright that was read at the desk a little while ago and ordered to be printed as a Senate document submitted by the honorable Senator from Mississippi [Mr. MONEY], the same accusation was made—that the duties levied upon these steel products were added to the cost of the articles to the consumers of the United States.

Mr. BACON. Mr. President—

The VICE-PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. GALLINGER. Certainly.

Mr. BACON. I desire to state, with the permission of the honorable Senator, that that particular statement I not only once, but two or three times, disavowed. It was first suggested by the Senator from Montana, in a colloquy which I had with him two or three days preceding the day when I had the honor to address the Senate, and then I stated that while that was true in some instances, nobody would claim it was true in all instances, and gave the reason.

There is an admitted consumption of over thirteen thousand million dollars a year of domestic products in the United

States; and if the duty were in each instance added to the cost of the article, it would amount, instead of two thousand million dollars, to some six or seven thousand million dollars.

Mr. GALLINGER. That is a fatal "if" the Senator has put in his argument.

Mr. BACON. I understood the Senator to say that that was my contention. I was endeavoring to express the thought that it could not be my contention, because if such were my contention, I would not limit the suggestion to two thousand millions, but I would necessarily be carried to six or seven thousand million dollars. In other words—

Mr. GALLINGER. The Senator, I think, the other day put it as high as ten or more thousand million dollars.

Mr. BACON. No; I did not.

Mr. GALLINGER. I think the RECORD will show that—

Mr. BACON. No; it will not.

Mr. GALLINGER. Unless it has been changed.

Mr. BACON. I beg the Senator's pardon. On the contrary, when the learned Senator from Rhode Island sought with a great deal of persistency to make me say even three thousand million dollars—he first started at four thousand million dollars—he said I had said four thousand million dollars, which I denied; then, coming down, he insisted that I should admit that it would be as much as three thousand million dollars, and I declined to do that; and the most I would say to the Senator was two thousand million dollars, more or less; and that I hoped that that would satisfy him.

Mr. GALLINGER. Two thousand millions, more or less?

Mr. BACON. I did go on to say that if the estimate made by some of 10 to 1 instead of 7 to 1 was correct, it would be in the neighborhood of three thousand million dollars.

Mr. GALLINGER. The Senator's speech, which has gone out to the country, stated that at least two thousand million dollars was added to the consumers of this country, because of the tariff bill. There is no question about that, and the Senator, in the exuberance of his imagination, said it might be ten thousand million dollars.

Mr. BACON. No.

Mr. GALLINGER. But take seven thousand million dollars, which the Senator now admits he may have suggested.

Mr. BACON. Never. I never suggested either one—either now or then.

Mr. GALLINGER. The Senator's memory is a little at fault.

Mr. BACON. I am willing to appeal to the original notes of the stenographer.

Mr. GALLINGER. I asked the Senator the other day if he would not deduct something from his statement, at least the amount we would collect under a revenue tariff, and he admitted he would, and he made a computation as to how much that would be.

Mr. President, there never was a greater fallacy on earth than the fallacy stated on this floor; and that was stated, if I understood it correctly, in the article the Senator from Mississippi sent to the desk, that the tariff rates are added to the cost of the article to the consumer. It is a very old fallacy. It has been exploded over and over again, and I confess that I have thought it hardly worth while to dispute it during this debate. For that reason I have not made any suggestion about it until this moment.

Mr. BACON. If the Senator will pardon me, I will suggest that he is setting up a very muscular man of straw and knocking him down with great facility—

Mr. GALLINGER. I do not agree—

Mr. BACON (continuing). Because I have not made any such statement.

Mr. GALLINGER. What did the Senator say?

Mr. BACON. The Senator from Georgia said that the estimate of 7 to 1 would make it, on the basis of \$300,000,000 tariff, \$2,000,000,000 of excess in the increased price of domestic products.

Mr. GALLINGER. Yes; and does the Senator accept that?

Mr. BACON. The Senator from Georgia further said, in response to a suggestion made by the Senator from Montana on one day, I think possibly by the Senator from New Hampshire on another day, that it was the contention of some that the tariff rate was added to the cost; that that was not his contention, because if it were his contention, he would have to raise the figure from \$2,000,000,000, according to the rate of tariff, to some six or seven thousand million dollars, which he did not do.

Mr. GALLINGER. Will the Senator state how much he really thinks the duties do increase the cost to the American consumer?

Mr. BACON. I have stated several times, and I will repeat it, with great pleasure, that according to the estimates, which I



think are reliable, in the case of a protective tariff—of course it must be of that character to do it; one which largely bars importations and which largely limits the consumers to the use of domestic products; almost entirely so—that \$7 for every dollar of revenue is a conservative estimate, and those who have figured upon it and made the estimates—very much more expert in such matters than I can claim to be—range from about 5 to 1 to about as high as 10 to 1. I took less than the average, and put it at 7, and with the average at 7 the increased cost of domestic products to the consumers of the United States according to that would be at least two thousand million dollars a year; and if the Senator will figure out what that is in each State, he will find it quite a gigantic sum for the people of each State.

Mr. GALLINGER. That is a very satisfactory answer, and it seems to me to be what the Senator a moment ago denied that he had said.

Mr. BACON. I am exceedingly unfortunate in my power of expression if that is true.

Mr. TILLMAN. Mr. President—

Mr. GALLINGER. I will proceed.

Mr. TILLMAN. Mr. President—

Mr. GALLINGER. I yield to the Senator from South Carolina.

Mr. TILLMAN. Without undertaking to explain exactly how or why it should be charged up to the tariff, I will simply call the attention of the Senator to the fact that some days ago the Senator from West Virginia [Mr. SCOTT] gave a very interesting exhibit of glass. He said that while the manufacturer would sell those pitchers at 90 cents a dozen, somebody, some malefactor somewhere, was charging the poor people, the consumers, 25 cents or a dollar apiece for them. They varied in price from \$3 a dozen to a dollar apiece. How did that hocus-pocus come about if it was not due to the tariff?

Mr. GALLINGER. I will say to the Senator that, in my judgment, the tariff had nothing more to do with that than any other impossible thing that the Senator can conceive of. The fact is it was shown that under a high tariff we are making in this country pitchers selling at 90 cents a dozen, and before we had a tariff, and when we were being supplied with pitchers from abroad, we were paying six or eight or ten times as much as we are paying for them now.

Mr. TILLMAN. I will leave the Senator to wrestle with that problem.

Mr. GALLINGER. It does not need any wrestling with. It speaks for itself.

Mr. TILLMAN. I call the attention of the Senator to the fact that the Senator from Montana this morning wanted to explain the duty on round iron, that we are discussing now, by saying it was due to the fact that we had to add the duty of \$2.50 a ton on pig iron.

Mr. GALLINGER. That had to be taken into consideration.

Mr. TILLMAN. It is one of the burdens which the consumer has to carry.

Mr. GALLINGER. It has to be taken into consideration in reaching the differential.

Mr. TILLMAN. The differential is there always against the consumer, and the poor tariff baron, or whatever he may be, gets off scot-free upon the plea of the Senator from West Virginia that he is manufacturing pitchers at 90 cents a dozen; but somehow the other people have to pay \$3 a dozen for them.

Mr. GALLINGER. Notwithstanding the Senator's jocularity, the Senator from West Virginia did demonstrate that we are manufacturing in this country at the present time glass pitchers, 2 quarts in size, for 90 cents a dozen.

Mr. TILLMAN. Mind you, I do not want to be offensive to the Senator from West Virginia, and I do not intend this as at all applying to him, but I must express my own belief that the Senator from Maryland [Mr. RAYNER] is very nearly correct when he says there is an awful lot of lying being done about this business.

The Senator from West Virginia did not himself produce those pitchers. He had to take somebody's word for it. He says he does not make that kind of glass, but the finer, the better glass—wineglasses, champagne glasses, cut glass, and all that sort of stuff. But I say right here and now that I do not believe any pitchers can be manufactured in the United States at 90 cents per dozen which are sold to the people for \$3 a dozen, because there is not, even in the consciences of our friends on the other side, a desire for such an inordinate profit as that.

Mr. GALLINGER. The statement made by the Senator from Maryland, to which the Senator from South Carolina alludes, was not original with him. There is higher authority than this body can produce for the statement that all men are liars,

and it is very possible there has been some lying done about this tariff bill. I take it for granted it has not all been done on one side.

But I am going to proceed. I am going to detain the Senate just long enough to give a couple of illustrations. I presume they are familiar to a great many Senators, and I suppose some Senators will dispute their accuracy. But notwithstanding that, they are taken from official figures. There was a very distinguished man in the other House before my advent to that body, a very distinguished Democrat. He was a protectionist—Mr. Randall, of Pennsylvania—and in 1883 Mr. Randall, in a speech in the House, demonstrated that steel rails cost in this country \$30.03 a ton at that time, and I presume Mr. Randall was correct in the figures he then presented.

Mr. President, the tariff on steel rails at that time was \$17 a ton. So if the tariff rates are to be added to the cost of the article, those steel rails ought to have cost \$47 a ton, but the fact is that at that time steel rails were selling in this country at \$35 a ton. So it is absurd to talk about the duty being added to the product. A little while before that—

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I think I will proceed. I want to get through, so as to expedite the consideration of the bill.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. The Senator from New Hampshire prefers not to yield at present.

Mr. GORE. I want to ask—

The VICE-PRESIDENT. But the Senator from New Hampshire prefers not to yield.

Mr. GALLINGER. Let the Senator ask his question. The Senator is always polite. Let him ask his question.

The VICE-PRESIDENT. The Senator from New Hampshire yields to the Senator from Oklahoma.

Mr. GORE. I want to get the Senator's theory. He says it is claimed that the duty is added to the domestic price. My understanding has been that the contention on this side, and of tariff-for-revenue people, is that the duty ought to be added to the foreign price in order to reach a conclusion; in other words, that in this country steel rails sell at the foreign price plus the duty plus the freight. To make it concrete, I understand they sell now for about \$28, or did until recently, whereas they are sold in foreign countries for \$20—our rails competing with the English rail at nineteen or twenty dollars plus the duty of \$7, which brought it up to \$28. The \$7 was not added to the domestic, but to the foreign, cost.

Mr. GALLINGER. That illustrates the fallacy of the argument that is being forced upon us here to-day. The Senator from Oklahoma says that steel rails are selling in foreign countries at \$20 per ton.

Mr. GORE. About that.

Mr. GALLINGER. And the truth is that statistics show that they are made in Great Britain at \$28, and there is no question about that. So they are not selling at \$20 a ton if it costs \$28 a ton to manufacture them.

Mr. President, let us go back a little in the history of steel rails. It is within the memory of some gentlemen sitting in this Chamber when we were paying \$150 a ton for steel rails, but at that time we were entirely dependent upon foreigners to supply us with steel rails.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from New Hampshire yield further?

Mr. GALLINGER. I think I will yield just once more.

Mr. GORE. If steel rails cost \$28 a ton in England, and they are being produced and sold in this country at \$28, and if the duty is merely to cover the difference between the cost of production, why have any duty at all?

Mr. GALLINGER. I had remarked that it is within the memory of some gentlemen in this Chamber when we were paying in this country \$150 a ton for steel rails.

Mr. DEPEW. One hundred and seventy dollars.

Mr. GALLINGER. Yes; I recall that we were paying \$170 a ton; and it is still fresh in the minds of some men younger than I am when we were paying \$60, \$70, and \$80 for steel rails. But that was before we put a tariff of \$27 on steel rails; and when we put the duty of \$27 a ton on steel rails, and when Mr. Randall said they cost \$30.03 to make, they were sold in our market for \$35 a ton.

I want to make another illustration. I heard the words "wire nails" in the article read from the desk. That is an interesting theme for protectionists. In 1882 there were made in this country just 50,000 kegs of wire nails. We were dependent upon foreign markets for all of our wire nails except

the 50,000 kegs which were manufactured in this country, and the price for wire nails at that time was 8.35 cents per pound. We imposed a duty of 4 cents a pound on wire nails, the duty at that time being 1 cent. Under the duty of 1 cent we were able to make only 50,000 kegs of wire nails in the United States, and we had to buy from foreigners at 8.35 cents a pound all the wire nails we consumed except the 50,000 kegs which we made. What was the result?

If the duty was to be added to the cost of those nails, the 3 cents additional duty would have made the cost 11.35 cents a pound; and yet under the McKinley tariff law, with a duty of 4 cents a pound, we manufactured in 1901, in place of 50,000 kegs, 9,803,822 kegs, and they were sold in the American market at 2.45 a pound, or less than one-third of what they cost when we were dependent upon foreign countries. So in 1901, under adequate tariff, we were making 196 times as many wire nails as we made in 1882, and they were being sold at 30 per cent of what they cost in 1882.

I want in these few minutes to get back to the protection facts on this question, and to say to the Senate and to the country, if the country chooses to know the fact, that there is not one iota of truth in the declaration being made here in season and out of season that the duties that are levied upon foreign products are added to the cost to the American consumer. In a great many instances it has resulted precisely to the contrary, because when the foreigner has the market he does with us exactly as he did in regard to steel rails and wire nails; he fixes his own price, and the American consumer of necessity must pay that price. But when the foreigner is even partially excluded from our markets and American ingenuity and American enterprise and American capital are put into our industries, and competition results, then this great and marvelous reduction in price that has come to the American people on steel rails and wire nails is an inevitable and never-failing result.

Mr. President, what I have said is not exactly germane to the question under consideration, but it is a contribution that I felt I ought to make to this discussion at some time, and I thank the Senate for listening to me for a few minutes.

Mr. ROOT obtained the floor.

Mr. TILLMAN. Will the Senator from New York allow me one minute to put in the RECORD a paragraph of Mr. Carnegie's testimony?

Mr. ROOT. Certainly.

Mr. TILLMAN. It is very brief, succinct, clear cut, Scotch, brave, and hot.

Mr. GALLINGER. Does the Senator believe him?

Mr. TILLMAN. I believe in him, because he says he is telling the truth this time.

Mr. GALLINGER. Does the Senator from Maryland believe him?

Mr. RAYNER. Not altogether.

Mr. TILLMAN. Well, I will read it, and let you all see what you think about it.

Mr. BAILEY. Mr. President, I simply want to protest against this universal distrust of everybody.

Mr. GALLINGER. I did not intend—

Mr. BAILEY. I suggest to the Senator from New Hampshire that when he made that quotation about all men being liars, he ought to have added the whole of it, "I said in my haste, all men are liars."

Mr. GALLINGER. If the Senator from South Carolina will permit me, I imagine that the Senator from Maryland said it in haste, and I did not accept it.

Mr. BAILEY. But the Senator from New Hampshire was giving to the country and to the Senate his indorsement of it. I believe there are many people in this country who, in spite of their selfish interest, will tell the truth. If there are not, then you enact tariff bills and pass all other kinds of laws to little purpose—

Mr. GALLINGER. I agree with the Senator.

Mr. BAILEY (continuing). Because a generation of liars can never maintain a free republic.

Mr. RAYNER. If the Senator from New York will allow me, I should like to say a word to the Senator from Texas.

Mr. BAILEY. I was trying to rebuke the Senator from New Hampshire.

Mr. ROOT. Mr. President, I yielded to the Senator from South Carolina.

Mr. GALLINGER. Will the Senator from South Carolina give me one word?

The VICE-PRESIDENT. The Senator from South Carolina can not grant permission. Does the Senator from New York yield to the Senator from New Hampshire?

Mr. ROOT. I think, as I chance to have control of the floor, I will try to bring the discussion of the afternoon somewhere

in the neighborhood of the pending tariff bill by limiting my yielding to the Senator from South Carolina.

Mr. TILLMAN. The Senator from South Carolina had the floor snatched from him without his consent by a half dozen Senators here. I do not want to impose on the courtesy of the Senator from New York. I was just going to answer as best I could from Mr. Carnegie's testimony a statement made by the Senator from New Hampshire. Here is what Mr. Carnegie said:

Now, Judge Gary has just read his annual report to his directors, and he shows one hundred and fifty-eight millions of profit, averaging \$15.50 on every ton of steel he sold, and what do they think of that?

The VICE-PRESIDENT. The Senator from New York will proceed.

Mr. ROOT. Mr. President, I observed with regret that my friend, the Senator from Wisconsin [Mr. LA FOLLETTE], wholly lost sight of the atrocity in regard to the duty on bar iron, on which he had been addressing the Senate, and as to which he had attacked the Finance Committee of the Senate for not furnishing facts, supporting his attack by reading from the testimony before us that sustains the amendment proposed by the committee.

The Senator from Wisconsin has had a very interesting colloquy with the Senator from Maryland [Mr. RAYNER] about the responsibility for the provisions in the bill, paying as little attention to what I said about responsibility and to the real subject of my observations as he has to bar iron. The subject of the discussion was the responsibility of the Finance Committee to furnish facts to the Senate, and my proposition was that where the Finance Committee report propositions of the House bill as to which they see no occasion for amendment upon the facts which were before the House, they are under no responsibility to furnish to the Senate further and other facts. That proposition has not been touched by the gentlemen who have spoken since I took my seat, and I apprehend that it can not be.

Where the Finance Committee reports to the Senate a proposed amendment, of course they are under obligation to furnish to the Senate the reasons why they think the amendment should be made. Wherever they do not report an amendment and an individual Senator proposes an amendment, he is under obligation to lay before the Senate the facts and the reasons why he thinks the amendment should be made, and he has no right to call upon the Finance Committee to furnish him with those facts and those reasons.

So far as I have seen, Mr. President, there have been no proposals for the increase in these duties as to which the Finance Committee have not been ready to furnish the reasons for the increase. We may agree with them in regard to some of them and in regard to others we may not; with some of them I do not agree; but in every case the committee have been ready to give reasons for the amendment they have proposed.

Mr. LODGE. May I ask the Senator a question?

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. ROOT. Certainly.

Mr. LODGE. I understand the Senator's proposition to be, so far as the Finance Committee is concerned, that he does not consider that the Finance Committee is bound to furnish information in support of an amendment which they do not approve.

Mr. ROOT. I should think that was a reasonable proposition.

Mr. President, there is one further observation which was made by the Senator from Wisconsin in commenting upon the opening statement made by the chairman of the Finance Committee. I undertake to say, sir, that in my very humble individual judgment, and I believe in the judgment of the Senate, and while I have not had as much opportunity of testing the judgment of the people of the country as the Senator from Wisconsin in my opinion, in the judgment of the people of the United States, it would be much better for the business that we have to perform if we should all confine ourselves to simple, plain, direct business statements, like the admirable statement made by the chairman of the Finance Committee in reporting this bill, and refrain from declamation, refrain from general discussion for home consumption, and utilize our time in the transaction of business.

I join with the Senator from New Hampshire [Mr. GALLINGER] in an expression of admiration and surprise, caused by the admirable poise, self-control, and good temper of the chairman of the Finance Committee after all these months of trying and wearisome duty in our behalf, doing our work, conducting the most difficult and trying and perplexing piece of legislation for the final conclusion of which we must rely upon his leadership, if it is to be concluded at all, and subjected to constant attack and misrepresentation and fault-finding.



Mr. RAYNER. If the Senator will allow me—

Mr. ROOT. Allow me one moment, if the Senator from Maryland will permit me, and I will yield.

I want to enter a protest here against turning this discussion concerning the business interests of the United States, which ought to be dealing with questions of fact as they arise upon the reading of the bill, into a controversy for a committee or against a committee, for a chairman or against a chairman, for any purpose, even including the purpose of strengthening the gentlemen in their own home States. We have been here now more than one month since the bill was reported to the Senate, and we have not passed through one-seventh of the paragraphs which we have to discuss and upon which we have to vote. If gentlemen think that the people of the country will applaud that, in my judgment they are much mistaken.

Mr. RAYNER. Mr. President, I want to say only one word before the Senator sits down. I should like to know where there has been any attack whatever made on this side of the Chamber upon the chairman of the Finance Committee, where there has been any insinuation or intimation made against him. He has treated us all with the kindest consideration and courtesy, and throughout the whole of this debate we have recognized that. I see no foundation upon which the Senator from New York states the proposition that any attack whatever of any sort has been made against the chairman of the Finance Committee of the Senate. I have not heard one word upon this side of the Chamber conveying any such idea or intending to convey it.

Now, before I take my seat—and it will take only a moment, if the Senator will permit me—I want to call attention to the original proposition the Senator stated in reference to the bill, and I want to confront the Senator from New York with the chairman of the Finance Committee in reference to the proposition he originally stated when this discussion commenced. I read a few remarks now from the address of the Senator from Rhode Island in his opening argument here in the Senate. He said:

There will be no attempt, however, to restrict debate upon the other side of the Chamber. There will be no attempt by me or any other member of the majority of the committee to explain in a lengthy speech the principles upon which the bill was constructed or the various provisions of its paragraphs. As these are reached in order the committee will be prepared to explain and defend their provisions.

That, Mr. President, means every one of the provisions of the bill, not only Senate committee amendments, but including every paragraph the House of Representatives sent to us. In order to sustain that construction of the Senator's address, I desire to read the remaining few lines to show that there is not the slightest doubt about my being right upon this proposition:

Perhaps I should allude—

Said the Senator from Rhode Island—

to a misapprehension which exists with reference to three items of the bill that were reported by the committee practically without recommendation. One is as to the provisions of the House bill on coal, putting it on the free list, with reciprocal provisions; the other is in regard to news print paper and wood pulp; and the third is in regard to hides. It is not the purpose of the committee—and when I use the word "committee," I shall always mean the majority of the committee—to try to evade responsibility with reference to these items. As soon as the requisite data can be secured by the committee, they will report amendments which they will recommend to the Senate upon each of these three items.

But, with the exception of those three items, the chairman of the Finance Committee declared himself ready to explain and defend every one of the provisions of the bill as they were reached, which necessarily means, as I have said, not only the Senate committee amendments, but every provision of the bill as it came to us from the House of Representatives.

Mr. LA FOLLETTE. Mr. President, on taking the floor before, I did not reply to the criticism that the Senator from New York made with respect to the testimony which I cited on the subject of bar iron, because I desired still further to examine the testimony and the language of the bill to see whether I had erred in applying that testimony to paragraph 118. Of course I have not, I suppose, the fortunate endowment of the Senator from New York to determine a matter of that sort at once. I have to plod somewhat with my investigations and do the best I can. I devote a good many hours of labor daily to this subject, but I am liable to err. It may be I make more mistakes than some men in this body, but I believe that I am not less industrious than other Senators.

Mr. President, even now, except for the supreme confidence with which the Senator from New York makes his statement, I am not sure that he is right. I am not sure whether the testimony offered by Mr. Lord, who represented 25 of the bar-iron manufacturers of this country, applies to one paragraph or to both. Paragraph 117 says:

Bar iron, muck bars, square iron, rolled or hammered, comprising flats not less than 1 inch wide nor less than three-eighths of 1 inch thick, etc.

The other paragraph includes bars or shapes of rolled or hammered iron. The testimony, as I have run through it, leads me to believe that Mr. Lord was speaking, or had written his letter, with reference to all the bar-iron manufactures and all of the tariff provisions affecting bar iron. I may be wrong about that, but I made an honest endeavor to lay before the Senate a piece of testimony that did seem to me to have a bearing upon the subject that we were considering.

Now, Mr. President, I have not taken much of the time of the Senate with interrogating the chairman of the committee or any member of the committee. If I have erred in any respect, I have felt that I was remiss in not asking questions upon every item, with respect to the cost of production, the amount produced in this country, the number of producers in this country, the elements of raw material entering into the dutiable product, the cost of producing the raw material in this country as compared with the cost in the competing country, the cost of producing the finished product in this country as compared with the competing country, the element of wage cost or labor cost that enters into every product as compared with the wage cost of the competing country, and the efficiency of the labor in this country as compared with the efficiency over there.

Those are questions, Mr. President, that are not to be brushed aside with any sweeping criticism with respect to declamation. We have not all the same way of speaking. I regret that I have not the finished manners of the Senator from New York. I have to speak in my plain, direct fashion. I speak earnestly because I feel earnestly when I speak, and I do not speak otherwise.

Now, Mr. President, so much for that. On this other subject, I want to refer to one thing with respect to the provisions of the House bill which the Senate Committee on Finance have not changed. We have no call here, according to this high constitutional authority which we have been so fortunate as to acquire lately, to say one word to this committee. If a paragraph is reached which has not been in any way amended, we are limited, sir, to whatever some other body, over which we had no authority, did.

I say, Mr. President, that, according to this authority, we have no right—or, at least, I have no right—to ask any questions with respect to a paragraph that the Senate Finance Committee reported back without amendment. Of course I do not expect to have accorded to me all the rights the Senator from New York assumes to exercise.

The other evening, when paragraph 97 of the glass schedule was under consideration, a paragraph which had in no way been amended by the Committee on Finance, but was just as passed by the House, he called upon those who were interested in maintaining the rates fixed in that paragraph to come forward with their explanations if they wanted to sustain the House rate. Of course, coming here with all his prestige, he may well take to himself rights that do not belong to other Senators on this floor.

Mr. President, I have talked longer this afternoon than I have since this extra session began the consideration of the tariff question. I have not said a word for "home consumption," and I say to the Senator from New York that I do not have to. I am going, however, to serve notice on him and this body that I will be the judge for myself of the share that I take in the discussion of measures before the Senate, and that I purpose to take some time on the provisions of this bill, notwithstanding the views of the Senator from New York.

Mr. MONEY. Mr. President, I do not rise particularly to defend my reputation for veracity as attacked by my friend the senior Senator from New Hampshire [Mr. GALLINGER]. I do not think it is necessary, however, to do that, but I do wish to say one word about the treatment that I understand for the first time from the Senator from New Hampshire and the junior Senator from New York [Mr. Root] the chairman of the Finance Committee has been subjected to during the discussion of this bill. I have not heard anybody denounce the Senator from Rhode Island, nor have I heard one word of vituperation. I will be very glad if the Senator from New Hampshire will show me a place in the Record where anybody has denounced the Senator from Rhode Island or vituperated him, to call for that remarkable exhibition of angelic sweetness and patience and forbearance on the part of the Senator from Rhode Island, which would not have belonged to the Senator from New Hampshire if he had been the Senator from Rhode Island and the Senator from Rhode Island had been the Senator from New Hampshire.

I have heard nothing but respect given to the Senator from Rhode Island, which he deserves. I for one, and I believe my colleagues on this side of the Chamber, sympathize with that distinguished gentleman in the great labor which he has under-

gone, the trial of patience which he must have had when conflicting interests were before him disputing the proposition in every case. I have yet to know a man on this side who has either entertained or has spoken one word to touch the sensibilities of the senior Senator from Rhode Island, either publicly or privately, as has been suggested to me by my friend from Georgia [Mr. Bacon]. I think the Senator from New Hampshire rather ran away with himself when he used that language, and that he does not really mean it now since he has cooled off.

I think he will voluntarily, without any further suggestion, withdraw that language from his remarks in the Record, because it goes to the country. When he gets up here and makes an announcement not confirmed by facts, I hope he will withdraw the language. It puts the Senator from Rhode Island in the ridiculous attitude of having been insulted and denounced and vituperated without the courage or manhood to resent it; for the Senator from New Hampshire intimated that if he had been in his place, he would have dealt with these people very differently.

Mr. GALLINGER. I will thank the Senator to tell me what language he refers to.

Mr. MONEY. I refer to your language, when you said the Senator from Rhode Island, in charge of the bill, had been denounced and vituperated, and had shown remarkable patience in enduring these repeated insults; and you also remarked, perhaps you would not have borne them if you had been in his place.

Mr. GALLINGER. I did not use the word "insult" at all.

Mr. MONEY. I know you did not. You said "vituperated" and "denounced."

Mr. GALLINGER. I stand by that.

Mr. MONEY. Very well; I will see whether the Record stands by you.

Mr. GALLINGER. That is all right.

Mr. MONEY. Now, I want to disabuse the mind of my friend from New Hampshire. If he thinks anybody over here feels as he expressed toward the Senator from Rhode Island, he is mistaken. As far as I am concerned—and I believe the senior Senator from Rhode Island understands me and has understood me all the time—I deeply sympathize with him in the tremendous labor, of the most exacting nature, which he has undergone. As a result it would make a man irritable under any circumstances. I would not blame him at all if he did become so; but he has not done it, and that is very much to his credit, because the man who controls himself is greater than he who conquers a city, or words to that effect.

My distinguished friend from New York [Mr. Root] has delivered the Senate a lecture on how it should conduct its business and how individual Senators should conduct themselves. When he has got fairly warm in his seat and has learned a little more about the Senate he will not indulge himself in any lectures on this subject [laughter], for two reasons: First, because they are utterly ineffectual curtain lectures, and they are generally the outcome of a brand-new Member; and, in the next place, they are utterly unnecessary. He will understand, also, that the most unfortunate thing that has happened to the Senate is having a new Senator come in here to do things on "business methods." I hope that here business will be dropped and "business methods" also. In this bill I fear there has been too much of business methods. "Business methods" would not honor the Senate. We want a man, when he comes here, to drop his business methods at the door and adopt the legislative and Senatorial methods as the best way for transacting the public business. If laws are to be passed, vitally affecting the people in their purses and their rights, without that freedom of debate which has found its best refuge in this honorable body, then we may look to have a law worse even than that proposed—a hundred times worse. There will be no end to it.

I beg gentlemen to content themselves. Do not get so impatient to correct everybody else; do not give the lie broadcast until somebody else has told one; and do not talk about vituperation here until you hear it.

Now, as for the table I introduced and submitted here, I did it for the benefit of the Senate. I said that I would not vouch for it; that I believed it was correct, and I think it has the internal evidence of its correctness. But I invited the Members of this Senate to examine it and to correct it if it was not true.

As for the argument of my distinguished friend from New Hampshire [Mr. Gallinger], I have never heard one so absolutely flimsy in my life. He denied that the tax placed upon the price of goods here is what the people pay to the manufacturer; and he undertook to tell us what the cost of production was here. The Senator from Oklahoma [Mr. Gore] en-

deavored to inform him that the price of the goods abroad that could be introduced here, delivered, as they are, f. o. b. for the price named in the schedules, would be the price that the people here would pay for a certain article, perhaps steel rails—I think that is what we were talking about at the time—or any other article; it does not make any difference what it may be.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. MONEY. Certainly.

Mr. GALLINGER. Does the Senator think that it would be good policy for the United States to get low-cost foreign goods and have them brought into this country, to the exclusion of goods which were being manufactured by our own people?

Mr. MONEY. Mr. President, that is not the question. It is absolutely outside of it; it is a diversion which I will not follow. I was speaking of the argument which the Senator made, and I say now that if you will take the schedule prices, as shown in the table which I have submitted, as they prevail in four different countries of Europe, and then see what the same thing is sold for here, you will have the difference which the American people pay.

I am not advocating the repeal of the duty; I am advocating a duty on everything—nothing to go free. That is what I am advocating here. But the only way you can arrive at what the consumer in this country pays is by ascertaining, if you can get it, what a similar article costs abroad and what the domestic consumer pays to the home manufacturer, which includes the tax. I have given the exact table, what amount of revenue is derived from exports into this country, and then I have given the amount which has been produced in this country, and subtracted one from the other, which shows exactly what the people would pay. Nobody can say with any accuracy that it is \$2,000,000,000, or \$1,000,000,000, or \$40,000,000,000, so far as that is concerned. It is only an estimate according to the best authority. I would not say that it was certainly \$2,000,000,000, but I believe it is about that figure. It is only information and belief, for there is no knowledge about it; but certainly you can not accept the proposition laid down by the Senator from New Hampshire.

Mr. President, the table which I submitted to-day was simply upon two schedules, and not all of those two; but it does show conclusively what the people of this country, in my opinion—it may be in error in detail somewhat, but it is approximately correct—it does show what revenue is collected by the Government—that is, the taxes paid by the consumers of the United States. It also shows the amount paid by the consumer to the protected interests, whatever they may be, on those two schedules.

I shall go through more of these items before this debate closes, but I do not intend to present a table here unless it is most carefully prepared by the very best authority; and I shall not vouch for anything that I present, unless I believe it to be true. I have challenged this whole Senate to find fault with that table, and I will ask my friend from New Hampshire to give it his critical attention. He can then come into the Senate and say whether or not he can prove to the contrary of what it asserts.

Mr. President, we do not want any lectures in our business here. It does not become a man, however important he may consider himself, or whatever position the world may give him, to come into the Chamber of his peers and tell us that we can not talk, or that we ought to talk, or that we ought to do business in this way or that way, which may happen to be approved by his judgment, or his taste, or his habits, or his opinion, or anything else that concerns him. We come here to do exactly what we please, each man responsible to his constituents, and to no one else in this world. The man who comes here simply to please somebody else ought to be immediately kicked out of this Chamber and sent home, and let the people send a man here in his place. I hope the Senate will proceed in order all the time, as it has done. I must say this has been one of the most interesting debates I have ever listened to; and some of the finest speeches I have ever heard on this or any other question have been delivered.

I have not seen any such exhibition of bad temper and bad manners as that which has been referred to so freely. When the bill goes to the conference committee of 10 or 12 or 16 members, and takes six months, then you may complain about talking; but I am confident of one thing, that when the bill emerges from that conference committee about the middle of September, or October, or November, or next year, or some other year, the name "ALDRICH" will be written very large over every solitary page of it. It will probably be a worse bill than that which is here to-day; but it is going to be ALDRICH's bill. I have got that much respect for the chairman of the Committee



on Finance. I believe he has the ability to manage this bill in conference just as he has shown the ability to manage it on the other side of the Senate, with a whole lot of recalcitrants attacking him at every turn. He knows how to manage men.

He can placate them when he wants to; he can put them down when he wants to; and he has managed to do a little better than we can do in the matter of discipline. For one, I sympathize with him all the way through; and I want to say that I find no fault with the members of the committee on the Republican side. I recognize the almost impossibility of their attempting to frame a bill in committee with the Democratic minority proposing amendments, and so forth. If such a course had been followed, it would have taken to the crack of doom to have reported anything to the Senate.

The bill is here; we have to do the best we can with it; but if any gentlemen think that a bill which came here in this way, which was never even seen by the minority members of the committee before it came hot from the press to their desks, is going to be pushed through on "business lines" and on "business manners," they had just as well go home and take a Rip Van Winkle sleep for twenty years and come back here and learn something more about it. We are not going to proceed in that way. We are going to proceed deliberately; and we are going to debate every solitary schedule and item, if anyone wishes to do so. If gentlemen are tired of speeches, they can do less speechmaking themselves and retire to the cloakroom when others are talking.

Mr. SCOTT. Mr. President, I only entered the Chamber with my friend from South Carolina [Mr. TILLMAN] was suggesting some doubt as to the cost at which pitchers could be produced. I will say to the Senator from South Carolina that if he wants a carload of tumblers at the price named, or a carload of pitchers, I will have them shipped to him, provided his credit is sufficient to pay for the goods when they arrive. [Laughter.]

Mr. TILLMAN. The insinuation against my honesty—

Mr. SCOTT. Not at all.

Mr. TILLMAN (continuing). Or of my commercial rating is unworthy of the Senator from West Virginia. I told him the other day that I wanted a dozen; I can handle that many, but I have no more use for a carload than I would have for a coal mine in West Virginia. [Laughter.]

Mr. SCOTT. If the Senator will have patience, I will send him a barrel of pitchers. [Laughter.]

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. CUMMINS] to paragraph 118.

Mr. SCOTT. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CUMMINS. Mr. President, I have just a word to say before the vote is taken. I suppose I am responsible for beginning the debate, and I would not be satisfied if I were not in at the close.

The Senator from New York [Mr. Root] says that when an amendment is offered to any part of the House bill which has not been changed by the Senate committee, it is the obligation of the Senator who offers it to submit testimony to support it. Without agreeing to the soundness of that proposition, I nevertheless undertook this morning to sustain that obligation. We have drifted far away from the question with which the discussion began. So far as I am concerned, I care nothing whatsoever with respect to the criticisms which, it is said, have been showered upon the head of the Finance Committee. I have endeavored heretofore to say what I believe to be true, and I expect to continue to say so through the remainder of this debate. If I can not hereafter get the information which is necessary for me to reach a conclusion from the hearings before the House committee, then I will seek it elsewhere; and, if I can not get it elsewhere, then I shall occasionally have the courage to ask the chairman of the Finance Committee if he has it and can supply me with it.

I am sure the chairman of the committee said something this morning that he did not intend. As I understood him, he suggested that this amendment arose from inattention or, as he was about to say, from ignorance. I may be ignorant of the subject-matter, but I am not ignorant of the amenities of debate, and I shall not attempt to justify myself against that intimation. I have been diligent, however. I have read every word upon this subject that was submitted to the House committee; I have read every word accessible to me anywhere; and I assert, without any fear whatsoever of contradiction, that there is nothing in the testimony given to the House committee, and nothing, so far as I know, considered by the Senate committee, that even tends to determine the difference between the cost of producing this particular commodity abroad and in the

United States. We are compelled, therefore, to resort largely to that general information that we acquire during the course of life.

The Senator from Rhode Island said this morning—and I think he was rather under the truth than above it, and he was rather on my side than against it—that the cost of manufacturing the articles in the preceding paragraph was \$6 per ton. I asked him to verify my own information upon it, because I had reached the conclusion that the cost of manufacture was a little more than \$6 per ton, and therefore his answer to me, which was wholly frank and candid—and for it I am grateful to him—rather tended to reduce the duty than to raise it.

I offered no amendment to that paragraph because the Senate committee had already reduced it 50 per cent; but when we came to the next paragraph, in which a duty of \$12 a ton was sought to be imposed upon a commodity that sells in this country regularly and habitually for \$35 to \$40 a ton, I knew, and every man in this Chamber knows if he will but examine that information which comes to him gradually by his observations of human affairs, that the duty of \$12 per ton is a great deal more than will measure the difference between the cost of producing this wire abroad and in the United States. Why, Senators, if we are to give any attention to the principle of protection; if we are to give any attention to those tests that have been laid down from time to time, we can not impose upon such a commodity as this a duty of \$12 a ton.

I know—at least I am so advised, and I believe my information is accurate—that this same wire is selling abroad at a price not to exceed \$3 a ton less than it sells for in the United States. If that be true—and if it be not true, I hope that I will be corrected—will you tell me that this furnishes no evidence with regard to the difference between the cost of producing it there and producing it here?

I have asked to reduce the duty to \$10 a ton. That duty is ample; it is more than is necessary to enable every ton, every pound of this commodity to be manufactured within the United States if the manufacturers are willing to sell it at a fair price. I can not agree that the duty we fix upon these commodities is immaterial. I agree with the Senator from New Hampshire that it is not always true that to the price at home there is added the duty that we impose; but it is true that it is always possible to add to the cost of production at home the duty that we put upon the article; and in framing a tariff bill we ought to pursue the old definition, or leave the old definition, and put upon these things that duty which will fairly measure the difference between the cost of production at home and abroad.

This is no impeachment of the work of the Finance Committee; this is no criticism upon the chairman of the Finance Committee; but it is an attempt, at least, upon my part to reduce this duty at least to the point or nearer the test and definition of our cause or our principle than is represented in the provision of the House; for, as I understand, this duty has been imposed by the House, and it has not been either reduced or increased by the Finance Committee.

Mr. LODGE. Mr. President, I am sorry that my friend the Senator from Mississippi [Mr. MONEY] acted so rapidly on his own principle just expressed and left the Senate the instant he concluded speaking, because I wanted to say to him that when he has been here as long as I have—and I have not been here very long—he will find that nothing is commoner than a suggestion that the Senate should do business. I heard it in the first year I entered the Senate; I heard it from Senators long in service; I heard it from Senators new in service; and I hear it every time a much-tried chairman of an appropriation committee is trying to get his bill through in the midst of what he thinks is needless delay. The view that the Senate does not exist purely for conversation, but really for action, is not a new one; and the mere fact, Mr. President, that a Senator has not served here so long as another Senator does not seem to me to alter the merits of the question at all. Lord Thurlow, in a famous speech, once said that "he begged to say that the peerage solicited him, not he the peerage;" and the mere fact that a Senator by his coming adds luster to the Senate, instead of the Senate adding luster to him, does not seem to me to deprive him of that right of free speech and fair criticism which we all cherish so much in this body.

Now, Mr. President, in regard to this particular paragraph, I desire only to say on the question of an amendment to the House provision that I am unable to see why the Finance Committee should be called upon to furnish information in behalf of amendments which they do not approve. I think their duty is to sustain their own amendments and to show reasons why amendments to which they are opposed should not be adopted. I do not propose to discuss this amendment further. The reasons why it should not be adopted have been amply shown.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Iowa [Mr. CUMMINS], upon which the yeas and nays have been ordered.

Mr. STONE. Before the roll call is begun, I ask that the amendment be again stated.

The VICE-PRESIDENT. The amendment will be again stated.

The SECRETARY. In paragraph 118, page 33, line 7, after the word "section," it is proposed to strike out "six-tenths" and insert "five-tenths;" and in line 11, after the words "duty of," to strike out "four-tenths" and insert "three-tenths."

The Secretary proceeded to call the roll.

Mr. LODGE (when Mr. CRANE's name was called). My colleague [Mr. CRANE] has been suddenly called away from the city. He stands paired with the Senator from Indiana [Mr. SHIVELY]. My colleague would vote "nay," if present.

Mr. CURTIS (when his name was called). I have a pair with the Senator from Oklahoma [Mr. OWEN] for to-day.

Mr. McCUMBER (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. FOSTER]. In his absence I withhold my vote.

Mr. RAYNER (when his name was called). I am paired with the junior Senator from Delaware [Mr. RICHARDSON]; and if he were present, I should vote "yea."

Mr. STONE (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. CLARK], who is not present. If he were present, I should vote "yea."

The roll call was concluded.

Mr. STONE. I am advised that I can shift my pair to the senior Senator from Texas [Mr. CULBERSON], and unless some other arrangement has been made—

Mr. ALDRICH. A pair has already been announced with the Senator from Texas.

Mr. STONE. Has it?

Mr. FLINT. I am paired with the senior Senator from Texas [Mr. CULBERSON], and I voted. I find that he is not in the Chamber. I transfer my pair to the junior Senator from Wyoming [Mr. CLARK], and allow my vote to remain.

Mr. STONE. That being done, I will vote. I vote "yea."

Mr. McLAURIN. My colleague [Mr. MONEY] was called from the Chamber. He is paired with the senior Senator from Wyoming [Mr. WARREN]. If my colleague were present he would vote "yea."

Mr. BAILEY. I simply rise to say that the Senator from Indiana [Mr. SHIVELY] is detained from the Senate by illness.

Mr. CHAMBERLAIN. I desire to make the same statement with reference to my colleague.

The result was announced—yeas 35, nays 42, as follows:

#### YEAS—35.

Bacon	Clapp	Gore	Paynter
Bailey	Clarke, Ark.	Hughes	Simmons
Bankhead	Clay	Johnston, Ala.	Smith, Md.
Beveridge	Crawford	La Follette	Smith, S. C.
Borah	Cummins	McLaurin	Stone
Bristow	Daniel	Martin	Taliaferro
Brown	Dolliver	Nelson	Taylor
Burkett	Fletcher	Newlands	Tillman
Chamberlain	Frazier	Overman	

#### NAYS—42.

Aldrich	Dick	Heyburn	Piles
Bradley	Dillingham	Johnson, N. Dak.	Root
Brandegge	Dixon	Jones	Scott
Briggs	du Pont	Kean	Smith, Mich.
Bulkeley	Elkins	Lodge	Smoot
Burnham	Flint	McEnery	Stephenson
Burrows	Frye	Nixon	Sutherland
Burton	Gallinger	Oliver	Warner
Carter	Gamble	Page	Wetmore
Cullom	Guggenheim	Penrose	
Depew	Hale	Perkins	

#### NOT VOTING—14.

Bourne	Curtis	Money	Shively
Clark, Wyo.	Davis	Owen	Warren
Crane	Foster	Rayner	
Culberson	McCumber	Richardson	

So Mr. CUMMINS's amendment was rejected.

Mr. McLAURIN. I offer an amendment to the paragraph.

The SECRETARY. It is proposed to add at the end of the paragraph the following:

Notwithstanding anything in this bill contained, trace chains, log chains, lock chains, plows, plow stocks, plow handles, plow beams, colters, singletrees, doubletrees, clevises, clevis pins, lap rings, backbands, bellybands, hames, hame strings, bridles, halters, plow lines, hooks and cuffs for singletrees or doubletrees, axes, ax helvies, hoes, hoe helvies, hatchets, hatchet helvies, hammers, hammer handles, horseshoes, horse-shoe nails, spades, shovels, saws, squares, rakes, nails, tacks, staples, staple rings, door hinges and screws, window hinges and screws, and all other kinds or character of farming implements or tools, and all carpenters' tools and blacksmiths' tools, when imported into this country, shall be exempt from the payment of a duty.

Mr. McLAURIN. Mr. President, I have heard a great deal since this discussion has been on and a great deal before that time about protection to American labor, and if one were to

take all the speeches made for protection and make up his judgment from them, he would come to the conclusion that nobody in the world is interested in the poor manufacturer; that the only man in the world who is considered by the protectionists is the laborer.

I wish to give an opportunity for Senators in this body to put themselves on record in favor not of protecting labor, but of allowing the laborers to keep what they make, and to spend it as they desire. The doctrine of protection is that the vast mass of the people shall be taxed and the money derived from that taxation shall be given to the manufacturers, in order that the manufacturers may employ the labor and that the labor may be hired to work for the manufacturer. I have often thought it would be a good deal better to give this money, if it is for the laborers, directly to the laborer, instead of it being given to the manufacturer, and letting it drip down to him, percolate until it gets down to the laborer, and then after he has been employed to do the work for the manufacturer, get about one-tenth of the amount of money that is taxed out of the people and given to the manufacturer.

The farming people of this country do not ask that you give them any protection, when "protection" is used in the sense of an opportunity or power to rob the masses of the people, or to take the money that belongs to others and put it into their own pockets; but they do ask an opportunity to devote the price of their labor to their own interest, their own protection, their own comfort, and their own welfare. They ask that you take off of them the heavy hand of what you call "protection," but what really, in fact, is an opportunity for extortion.

The farmers of the country produce the provisions upon which all of us live. They produce the clothing that clothes us. Will you not give them an opportunity to buy their farming implements without the heavy hand of what you call "protection" being placed upon them and allowing the price to be raised on them? Will you not take away the taxgatherer from them and not call upon them to pay a tax to the manufacturer on their trace chains, their clevises, their hooks and cuffs that go on the whiffletree, their plows, and the saws that they use on their farms? Will you not take away your taxgatherer and let them for one time buy without the taxgatherer taking away their money to be paid into the coffers of those already immensely rich?

Mr. SCOTT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from West Virginia?

Mr. McLAURIN. I do.

Mr. SCOTT. Does not the Senator admit that the farmers are perhaps to-day the most prosperous citizens we have in the United States?

Mr. McLAURIN. I do not know about that, but I will say this: That they have the most independent business of any business in the United States, and if they are prosperous they are prosperous in spite of the oppression of protective extortion. It is not on account of it, but in spite of it.

Mr. President, I want to put it to the Senate, and I desire every man by his vote to say whether he is willing to give the farmers an opportunity to expend, if they desire, the money they earn on the farm instead of putting it into the hands and the coffers of the manufacturers.

This may appear ridiculous to some at first reading, but it is a just proposition, and if there is anybody on the face of the earth who ought not to be protected in the sense of the doctrine of Republican protection, but who ought to be favored by the laws of the country, it is the farming class of the country.

Here is the opportunity. Here are the carpenters' tools. They are laborers. They have to furnish in nearly all instances the tools with which they do their work. Will you not take off of them the tax which compels them to pay an extortionate price for those tools? There are the blacksmiths' tools. Will you not do the same thing for him? Do you not mean what you say when you claim that the protective tariff is for the benefit of the laborer, and not of the owner or the manufacturer? If you do, here is your opportunity to demonstrate it.

Mr. ALDRICH, Mr. GALLINGER, and others. Question!

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. McLAURIN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BROWN (when Mr. BEVERIDGE's name was called). The Senator from Indiana has been called from the Chamber and desired me to announce that if present he would vote "nay."

Mr. McCUMBER (when his name was called). I again announce my pair with the junior Senator from Louisiana [Mr. FOSTER]. Were he present, I should vote "nay."



Mr. LAYNER (when his name was called). I am paired with the junior Senator from Delaware [Mr. RICHARDSON]. If he were present, I should vote "yea."

Mr. STONE (when his name was called). I have a pair with the junior Senator from Wyoming [Mr. CLARK]. I transfer it to the senior Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

The roll call was concluded.

Mr. LODGE. I desire again to announce the pair of my colleague [Mr. CRANE] with the Senator from Indiana [Mr. SHIVELY]. If my colleague were present he would vote "nay."

Mr. CURTIS. I desire to announce my pair with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 22, nays 52, as follows:

## YEAS—22.

Bacon	Daniel	Martin	Stone
Bailey	Frazier	Newlands	Taliaferro
Bankhead	Gore	Overman	Taylor
Chamberlain	Hughes	Paynter	Tillman
Clarke, Ark.	Johnston, Ala.	Simmons	
Clay	McLaurin	Smith, S. C.	

## NAYS—52.

Aldrich	Clapp	Gallinger	Oliver
Borah	Crawford	Gamble	Page
Bradley	Cullom	Guggenheim	Penrose
Brandegee	Cummins	Hale	Perkins
Briggs	Depew	Heyburn	Piles
Bristow	Dick	Johnson, N. Dak.	Root
Brown	Dillingham	Jones	Scott
Bulkeley	Dixon	Kean	Smith, Mich.
Burkett	Doilliver	La Follette	Smoot
Burnham	du Pont	Lodge	Stephenson
Burrows	Elkins	McEnery	Sutherland
Burton	Flint	Nelson	Warren
Carter	Frye	Nixon	Wetmore

## NOT VOTING—17.

Beveridge	Curtis	Money	Smith, Md.
Bourne	Davis	Owen	Warren
Clark, Wyo.	Fletcher	Rayner	
Crane	Foster	Richardson	
Culbertson	McCumber	Shively	

So Mr. McLAURIN's amendment was rejected.

Mr. BAILEY. Mr. President, I observe that the Republican party is reunited, and I have no doubt its members are ready to fix a day for taking a vote on the income-tax amendment. I ask unanimous consent that on Monday next, before the Senate adjourns, we proceed to vote on the income-tax amendment to the pending bill.

The VICE-PRESIDENT. The Senator from Texas asks unanimous consent that on Monday next, previous to adjournment, a vote be taken upon his income-tax amendment to the pending bill. Is there objection?

Mr. BAILEY. There are two amendments, and I would not, as I prefer the request, wish to discriminate between them, and I will say upon the income-tax amendments—

Mr. HALE. Amendments?

Mr. BAILEY. Making it plural.

Mr. ALDRICH. I suggest to the Senator from Texas that he amend his request for unanimous consent so as to ask that on the 1st day of June, if that is the proper day, we vote upon the bill and all amendments.

Mr. BAILEY. If I can have unanimous consent for the order which I have just requested, I will prefer the request which the Senator indicates, but from what occurred yesterday afternoon I think we ought not to be required to dispose of the entire subject in order to reach a disposition of an important part.

Mr. ALDRICH. I suggest that there will be no objection to taking a vote on the 1st of June upon the bill and all amendments.

Mr. BAILEY. So far as I am concerned, there will not be. I indicated yesterday that there ought to be no delay, and I believe that there ought to be none.

Mr. President, without intending to give the present request a partisan complexion, I will remind our friends on the other side that their party has had this bill now for more than six months. The House Committee on Ways and Means, as I now recall, began its hearings on the 10th of last November and continued them until the meeting of Congress, the first Monday in December. Those meetings were then continued through the session and until the bill was reported.

The House occupied until, I believe, the 9th of April in considering it. The bill then came here, and, certainly, with the loss of less than a week it was reported back to the Senate. It is now the 14th day of May, making, since the 10th of last November, a continuous consideration of this subject by a Republican majority; and if they have not accommodated their differences by this time, I think the country may well despair of their ability to do it; and if they are not able to do it, we might just as well proceed to take the vote and allow the majority to determine the result.

But while I feel that way about it, of course I would like to separate the request for the vote upon the income-tax amendment. I will follow that with the other proposition, of course, not guaranteeing for anybody but myself an acquiescence in that request; but I will exert my good offices so far as they will go toward a vote on the bill itself and all amendments upon the 1st of June.

Senators from time to time are called away by sickness and otherwise, and I want everybody advised as to the day of the vote on this important amendment.

We have this condition this afternoon. The Senator from Indiana [Mr. SHIVELY], a new Senator and one who does credit to this body, because I had the honor to serve with him in the House of Representatives, is detained at his room, sick. If we were to act on the income-tax amendment unexpectedly, he might not be able to reach here; but if he knew the vote was coming, he could not be so sick that he would not be in his place; and I assume that other Senators are of the same mind. For that reason, I believe it is in the interest of a full and fair decision of it that we fix a time in advance, so that every Senator who desires to be here may have an opportunity to come.

If the request is granted, I will follow it with a request for a vote on the bill and all pending amendments upon the 1st day of June.

Mr. NELSON. Mr. President, I shall object to that. I think we are not prepared to vote on the income-tax amendment until we know in what shape we get this tariff bill. If it were an independent proposition, I might, under such circumstances, vote for an income-tax measure. I think if the tariff bill will bring sufficient revenue, we ought not to inject an income-tax proposition in it.

The VICE-PRESIDENT. The Senator from Minnesota, then, objects to the request of the Senator from Texas?

Mr. NELSON. I want to say further, while I am on my feet, that I look upon the matter of an income tax as a very important question, that ought to be considered and disposed of by the Senate as an independent proposition. I believe that the last decision of the Supreme Court was, in two respects, revolutionary in character. It was revolutionary, first, because it superseded all the decisions of our courts and all the practices of our Government in the course of a hundred years. I shall not enter into a discussion of that branch of the question. But it was revolutionary in another respect, and that is in depriving this country, in the great emergency of a war, of one of the most important resources for obtaining revenue. However, I will not go into that discussion. While, as an independent proposition, I might support an income tax, I am utterly opposed to placing it as an attachment to this bill unless it is necessary as a matter of revenue.

I want to say further, while I am on my feet, there is no use of this seance between the Senator from Texas and the Senator from Rhode Island about asking for a vote on the bill the 1st of June. I hope we will get around to a vote; but two of the most important schedules in the bill are left—I refer to the cotton and the woolen schedules—and until we have made some progress in those schedules, I for one am not prepared to agree upon a time to vote.

Mr. BAILEY. Mr. President, I will ask the Senator from Minnesota what he means by a "seance between the Senator from Texas and the Senator from Rhode Island?"

Mr. NELSON. I meant it in a Christian spirit. [Laughter.] As the Senator is very inquisitive, I will kindly tell him that I noticed the Senator from Rhode Island went over to the Senator's chair and whispered to him and then immediately following that came this unique proposition.

Mr. BAILEY. Mr. President, I have always observed that a candid and honest man will not suspect the good motives of other men, and when I find a man suggesting improper conduct on the part of others, I readily conclude that he would be guilty of such misconduct himself.

I will tell the Senator from Minnesota and the Senate exactly what happened, and it is not creditable to the Republicans with whom the Senator from Minnesota is associated. I observed that every Republican voted against the amendment of the Senator from Mississippi, and I expressed the opinion that what are known as the "Republican insurgents" had an understanding that they would not support a Democratic amendment, and the Senator from Rhode Island said he heard one of them say so.

Now, is the Senator from Minnesota satisfied?

The VICE-PRESIDENT. The Senator from Minnesota objects to the request of the Senator from Texas.

Mr. LA FOLLETTE. Mr. President, I want to say, as a Republican, that I purpose to support any amendment offered here which I believe to be for the best interest of the

country, and it will make no difference to me whether it is proposed by a Republican or by a Democrat.

The VICE-PRESIDENT. Is there objection to agreeing to paragraph 118? The Chair hears none, and the paragraph is agreed to.

Mr. ALDRICH. I ask that paragraph 119 may go over. I should like to dispose of the next three or four paragraphs, to which I think there will be no objection.

The VICE-PRESIDENT. Is there objection to paragraph 119 being passed over? The Chair hears none. The next paragraph passed over will be stated.

The SECRETARY. The next paragraph passed over is paragraph 120, as follows:

120. Boiler or other plate iron or steel, except crucible plate steel and saw plates hereinafter provided for in this section, not thinner than No. 10 wire gauge, cut or sheared to shape or otherwise, or un-sheared, and skelp iron or steel sheared or rolled in grooves, valued at 1 cent per pound or less, three-tenths of 1 cent per pound; valued above 1 cent and not above 2 cents per pound, four-tenths of 1 cent per pound; valued above 2 cents and not above 4 cents per pound, seven-tenths of 1 cent per pound; valued at over 4 cents per pound, 20 per cent ad valorem: *Provided*, That all sheets or plates of iron or steel thinner than No. 10 wire gauge shall pay duty as iron or steel sheets.

The VICE-PRESIDENT. Is there objection to agreeing to paragraph 120?

Mr. PENROSE. I suggest to the chairman of the committee that it go over. It was incorrectly drawn, and I wish to have it corrected.

Mr. ALDRICH. It can be corrected afterwards. There is no amendment to paragraph 120.

Mr. LODGE. There is no amendment to paragraph 120. Paragraph 119 has gone over?

The VICE-PRESIDENT. Paragraph 119 has gone over.

Mr. PENROSE. I withdraw the request as to paragraph 120.

The VICE-PRESIDENT. The question is on agreeing to paragraph 120.

Mr. CLAPP. It is absolutely impossible to understand what the amendment is.

The VICE-PRESIDENT. Is there objection to agreeing to paragraph 120, to which there is no amendment? The Chair hears no objection, and the paragraph is agreed to.

The Secretary will state the next paragraph passed over.

The SECRETARY. Paragraph 122. The committee proposes to strike out the remainder of the paragraph after the word "made," in line 10, page 35, as follows:

Steel bands or strips, untempered, suitable for making band saws, hack saws, or butchers' saws, 1½ cents per pound and 20 per cent ad valorem; if tempered, or tempered and polished, 3 cents per pound and 20 per cent ad valorem.

So as to make the paragraph read:

122. Hoop, band, or scroll iron or steel, not otherwise provided for in this section, valued at 3 cents per pound or less, 8 inches or less in width, and less than three-eighths of 1 inch thick and not thinner than No. 10 wire gauge, three-tenths of 1 cent per pound; thinner than No. 10 wire gauge and not thinner than No. 20 wire gauge, four-tenths of 1 cent per pound; thinner than No. 20 wire gauge, six-tenths of 1 cent per pound: *Provided*, That barrel hoops of iron or steel, and hoop or band iron or hoop or band steel flared, splayed, or punched, with or without buckles or fastenings, shall pay one-tenth of 1 cent per pound more duty than that imposed on the hoop or band iron or steel from which they are made.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph is agreed to. The next paragraph passed over will be read.

The SECRETARY. Paragraph 123—

Mr. OVERMAN. I ask that that paragraph may go over.

Mr. ALDRICH. At the request of the Senator from Texas and the Senator from Mississippi, I ask that the paragraph may go over.

The VICE-PRESIDENT. The Senator from Rhode Island asks unanimous consent that the paragraph be passed over. Without objection, it is passed over.

Mr. ALDRICH. I suppose we will hardly be able to dispose of paragraph 124 to-night.

Mr. TILLMAN. Hardly.

Mr. ALDRICH. I ask that it be passed over.

The VICE-PRESIDENT. Is there objection to passing over paragraph 124? The Chair hears none. The next paragraph passed over will be read.

The SECRETARY. Paragraph 125—

Mr. OVERMAN. At the request of the Senator from Texas, I ask that that paragraph be passed over.

Mr. ALDRICH. The Senator from Texas is interested in paragraph 124, but not in paragraph 125, I am sure.

Mr. OVERMAN. The Senator from Texas sent me a note, saying that he wanted to have paragraphs 125, 128, and 129 passed over. At his request, I ask that these paragraphs go over.

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. ALDRICH. Has paragraph 126 been agreed to?

The VICE-PRESIDENT. Paragraph 126 has been agreed to; paragraph 127 has been agreed to; and paragraph 128 has been agreed to.

Mr. ALDRICH. Paragraph 129 will have to go over.

Mr. McLAURIN. Has paragraph 125 been passed over?

Mr. ALDRICH. Yes.

The VICE-PRESIDENT. Paragraph 125 was passed over.

Mr. McLAURIN. Was paragraph 123 also passed over?

The VICE-PRESIDENT. Paragraph 123 was passed over.

Mr. ALDRICH. What is the next paragraph?

The SECRETARY. Paragraph 129.

Mr. ALDRICH. That can go over, at the request of the Senator from North Carolina.

The VICE-PRESIDENT. Paragraph 129 will be passed over.

The SECRETARY. The next paragraph passed over is paragraph 133, wire rods. The amendment of the committee is, on page 39, line 20, after the word "pound," to strike out "four-tenths" and insert "three-tenths," so as to read:

133. Wire rods: Rivet, screw, fence, and other iron or steel wire rods, whether round, oval, flat, or square, or in any other shape, and nail rods, in coils or otherwise, valued at 4 cents or less per pound, three-tenths of 1 cent per pound.

The amendment was agreed to.

The SECRETARY. The next committee amendment is, on page 39, line 21, after the word "pound," to strike out "three-fourths" and insert "six-tenths," so as to read:

Valued over 4 cents per pound, six-tenths of 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. The paragraph as amended is agreed to if there be no objection.

The SECRETARY. Paragraph 134, round iron or steel wire, the committee amendment is in line 7, on page 40, after the word "and," to strike out "one-half" and insert "three-fourths."

Mr. WARNER. I ask that that paragraph be passed over.

The VICE-PRESIDENT. Is there objection to passing over the paragraph? The Chair hears none, and it will be passed over.

Mr. ALDRICH. I give notice now that these paragraphs that are passed over I shall return to to-morrow morning and take them up in order.

The VICE-PRESIDENT. The next paragraph passed over will be stated.

The SECRETARY. The next paragraph passed over is, on page 45, paragraph 140, automobiles, bicycles, and so forth.

Mr. LA FOLLETTE. I ask that that be passed over.

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none, and the paragraph will be passed over.

Mr. ALDRICH. Let it go over under the same conditions as the others. What is the next paragraph passed over?

The SECRETARY. The next paragraph passed over is paragraph 150, at the bottom of page 47, lap-welded.

Mr. BULKELEY. What was done with paragraph 140?

The VICE-PRESIDENT. It was passed over.

Mr. CRAWFORD. I was not here. Was paragraph 144 passed over?

The VICE-PRESIDENT. Paragraph 144 was agreed to.

Mr. BACON. I should like to inquire of the Senator from Rhode Island whether paragraph 135 has been finally disposed of.

The VICE-PRESIDENT. Paragraph 135 was agreed to.

Mr. BACON. At what time?

The VICE-PRESIDENT. On the first reading of the bill.

Mr. ALDRICH. Paragraph 135, I will say to the Senator, is merely transposed to another place. It is the present law. It is the administrative provision only.

Mr. LODGE. It carries no rate.

Mr. BACON. I understood that all matters which were acted on—

Mr. ALDRICH. It was simply transposed to another place in the bill; the two paragraphs were simply transposed.

Mr. BACON. I wish to make an inquiry of the Senator. I may be mistaken about it, but I want to see whether my apprehension was correct. Under the terms of paragraph 135—

Mr. ALDRICH. As amended.

Mr. BACON. As specified in the amendment, is it true that under those terms any canned goods of any kind which are imported have, in addition to the duty levied on the goods themselves, a duty upon the tin cans which contain them?



Mr. ALDRICH. That has nothing whatever to do with this question. The Senate committee reported an amendment in another place; I forget the number now.

Mr. BACON. Which has that effect?

Mr. ALDRICH. Which had that effect. But it has been modified by the committee. It applies only to packages containing dutiable goods. It has been or will be modified when the paragraph is reached.

Mr. BACON. But this paragraph 135—

Mr. ALDRICH. Has no reference to it.

Mr. BACON. It does not in its terms embrace that?

Mr. ALDRICH. It does not.

Mr. BACON. I will state to the Senator that from a rather general reading of it, I think it might be so construed. That is the reason why I made the inquiry.

Mr. ALDRICH. That is the law. It has been in effect ever since 1890.

Mr. BACON. I understand that. I wanted to know whether it could be so construed.

Mr. ALDRICH. The paragraph the Senator refers to is paragraph 192, on page 67.

Mr. BACON. In order that we may have the direct information, I understand the Senator to say that that paragraph can not be construed so as to include that class of duty?

Mr. ALDRICH. It certainly can not.

Mr. BACON. Very well.

Mr. TILLMAN. I want to say to the Senator from Rhode Island that, in my judgment, this rushing to push the bill along and pass over every paragraph that is jolted does not make any real progress. We have been here now for over six hours. There has been a good deal of mental strain on some people, though not with me. I am ready to rush this matter. I made an appeal the other day, and I appeal now to the Senator to let us adjourn; and if he wants to start at 10 o'clock on Monday and work us until dark, I will not object.

Mr. ALDRICH. I was about to give notice that I would tomorrow morning at the meeting of the Senate move that on and after Monday the Senate shall meet at 10 o'clock. Perhaps I may as well make the motion now. I move that the hour of the daily meetings of the Senate on and after Monday shall be 10 o'clock.

The VICE-PRESIDENT. The Senator from Rhode Island moves that on and after Monday, the 17th instant, the Senate shall meet daily at 10 o'clock a. m.

The motion was agreed to.

Mr. TILLMAN (to Mr. ALDRICH). Can you not now move to adjourn over until Monday?

Mr. ALDRICH. Oh, no; I can not do that. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 15, 1909, at 11 o'clock a. m.

## SENATE.

SATURDAY, May 15, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

### PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the Association of Credit Men of Pittsburg, Pa., praying for the creation of a permanent tariff commission, which was ordered to lie on the table.

Mr. BRIGGS presented a petition of the Board of Trade of Hoboken, N. J., praying for the creation of a permanent tariff commission, which was ordered to lie on the table.

Mr. BURROWS presented petitions of sundry citizens of River Rouge, Detroit, Grand Rapids, and Alton, all in the State of Michigan, praying for a reduction of the duty on raw and refined sugars, which were referred to the Committee on Finance.

Mr. CURTIS presented petitions of sundry citizens of Traer, Topeka, and Iola, all in the State of Kansas, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. HEYBURN presented a paper to accompany the bill (S. 838) granting an additional pension to soldiers who were confined in confederate prisons during the war of the rebellion, which was referred to the Committee on Pensions.

He also presented an affidavit to accompany the bill (S. 15) to amend the military record of Jonas O. Johnson, which was referred to the Committee on Military Affairs.

Mr. DEFEW presented a petition of Local Union No. 113, International Brotherhood of Stationary Firemen, of Palmer, N. Y.,

praying for the enactment of legislation to license firemen, stokers, or water tenders in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of Horseshoe Lodge, No. 250, Brotherhood of Railroad Trainmen, of Rensselaer, N. Y., praying for the passage of the so-called "Borah-Dawson full-crew bill," which was referred to the Committee on Interstate Commerce.

He also presented a petition of the New York State League of Cooperative Savings and Loan Associations, praying for a reduction of the duty on materials entering into the construction of dwelling houses, which was ordered to lie on the table.

He also presented a petition of the Steel Founders' Society of America, of New York City, N. Y., praying for a reduction of the proposed duty on ferrosilicon, which was ordered to lie on the table.

Mr. DANIEL presented petitions of Mrs. G. O. Stevenson, of Swetnam; J. T. Malony, of Swetnam; Robert Cunningham, of Fairfax; F. G. Ford, of Swetnam; C. F. Brewer, M. D., of Catharpin; E. R. Swetnam, of Swetnam; J. M. Harrison, of Swetnam; E. H. Munn, of Swetnam; William Sheppard, of Front Royal; Ramsey & Frenang, of Front Royal; S. R. Wilkinson, of Front Royal; Reeve & Co., of Front Royal; W. E. Lake & Son, of Front Royal; J. H. King, of Front Royal; J. F. Forsythe & Co., of Front Royal; G. W. Amiss & Son, of Front Royal; B. C. Atwood, of Front Royal; Compton & Co., of Front Royal; W. C. Weaver & Co., of Front Royal; Roy Collins, of Front Royal; Mck. Willes & Co., of Front Royal; T. S. Duncan, of Front Royal; W. W. Pettit, of Front Royal; J. H. Anderson, of Front Royal; R. H. Jackson & Son, of Front Royal; A. Brinkley & Co., of Norfolk; T. H. Self, of Martinsville; W. B. Ben-nand, of Martinsville; Davis & Davis, of Martinsville; T. W. Carter, of Martinsville; J. W. Booker & Co., of Martinsville; J. P. Harptel, of Martinsville; James Cheslin & Son, of Martinsville; N. F. Burge & Son, of Martinsville; C. P. Keerfott, of Martinsville; J. E. L. Bohman, 214 Maple avenue, Berkeley; T. J. Cocke, of Whittles Depot; A. V. Cocke, of Whittles Depot; A. G. Cocke, of Whittles Depot; W. H. H. Cocke, of Whittles Depot; W. H. H. Cocke, jr., of Whittles Depot; J. M. Grim, of New Market; L. J. Hidermaier, of Abingdon; John D. Cosby, of Abingdon; Josie Clarke Sandoe, of Abingdon; E. C. Hamilton, of Abingdon; G. N. Wertz, of Abingdon; George E. Worden, of Abingdon; Maj. D. A. Jones, of Abingdon; W. Y. Hagy, of Abingdon; John W. Neal, of Abingdon; T. H. Crabtree, of Abingdon; C. O. Wickam, of Alleghany Spring; C. A. Wickham, of Alleghany Spring; D. L. Cole, of Simpsons; J. A. Black, of Otey; V. T. Connor, of Copper Hill; Carl Black, of Alleghany Spring; W. T. Showalter, of Otey; N. W. Hoback, of Alleghany Spring; H. C. Clim, of Front Royal; A. D. Long, of Front Royal; Front Royal-Riverton Board of Trade, of Front Royal; J. E. Pleasant, of Virgilina; C. A. Whitfield, of Virgilina; B. L. Lawson, of Virgilina; F. H. Little, of Virgilina; W. A. Morris, of Virgilina; Retail Grocers' Association, of Richmond; W. E. Hazelgrove, of Richmond; W. C. Shepperd, of Otey; J. W. Boothe, of Otey; Virginia Seed and Feed Company, of Lynchburg; M. B. Kemp, of Cash; G. D. Fitzhugh, of Cash; O. B. Bland, of Cash; F. E. Duval, of Cash; H. G. Losee, of Cash; W. L. Meredith, of Cash; H. H. Roane & Son, of Cash; H. H. Roane, of Cash; J. A. Jordon, of Goods Mills; W. L. Roane, of Freeport; M. T. Meyerhoffer, of Port Republic; Joe Greyer, of Port Republic; J. E. Meyerhoffer, of Port Republic; Ed Kennedy, of Penn Laird; Ben Meyerhoffer, of Penn Laird; M. M. Parrish, of Richmond; Roper & Co., of Petersburg; Robinson, Tate & Co., Lynchburg; Lynchburg Grocery Company, of Lynchburg; B. A. Nunnally, of Manchester; H. P. Harrison, Company (Incorporated), of Petersburg; J. S. Shoemaker, of Singer Glen; B. B. May, of Linville; S. Henton Swank, of Singer Glen; C. B. Fadely, of Singer Glen; S. W. Brewer, of Singer Glen; J. P. Hoover, of Singer Glen; D. M. Hollar, of Singer Glen; M. T. Whezel, of Singer Glen; A. C. Byers, of Lacy Spring; J. J. Cole, of Lacy Spring; C. J. Sangane, of Lacy Spring; Bettie Harrison, of Lacy Spring; M. T. Morris, of Lacy Spring; A. S. White, of Lacy Spring; T. A. Moore, of Harrisonburg; Michael Summers, of Lacy Spring; and C. H. Allebaugh, of Harrisonburg; all in the State of Virginia; E. A. Karnes and R. A. Shrewsbury, of Spanishburg, W. Va.; William Hodges Mann, jr., of New York City; and H. B. Tuntit, 950 Louisiana avenue, Washington, D. C.; praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PERKINS:

A bill (S. 2366) to authorize the Secretary of the Treasury to designate subports of entry or delivery in the various cus-